1957

Annual Report

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

BOARDS

Burlington Route

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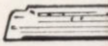
FOREWORD

TO OUR PATRONS—

The Burlington expresses its grateful appreciation to all those who used its services during the year, and pledges continuing effort to provide efficient, safe and dependable transportation for all.



Cover Picture—

Burlington westbound passenger train meets fast eastbound freight as it crosses the Mississippi River at Burlington, Iowa.

One Hundred and Fourth

ANNUAL REPORT

of the

BOARD OF DIRECTORS

of the

CHICAGO, BURLINGTON & QUINCY
RAILROAD COMPANY

For the Year Ended
December 31, 1957

Burlington
Route

Chicago, Burlington & Quincy Railroad Company

DIRECTORS

RALPH BUDD *Retired President, Chicago, Burlington & Quincy Railroad Company*	Santa Barbara, Cal.
JOHN M. BUDD *President, Great Northern Railway Company*	St. Paul, Minn.
KENNETH F. BURGESS *Partner, Sidley, Austin, Burgess & Smith*	Chicago, Ill.
L. R. CAPRON *Vice President-Traffic Department* *Chicago, Burlington & Quincy Railroad Company*	Chicago, Ill.
GEORGE M. FOSTER *Chairman of the Board, John Morrell & Company*	Ottumwa, Ia.
J. C. JAMES *Retired Executive Vice President and General Counsel,* *Chicago, Burlington & Quincy Railroad Company*	Chicago, Ill.
ROBERT S. MACFARLANE *President, Northern Pacific Railway Company*	St. Paul, Minn.
ELLSWORTH MOSER *President, U. S. National Bank of Omaha*	Omaha, Nebr.
H. C. MURPHY *President, Chicago, Burlington & Quincy Railroad Company*	Chicago, Ill.
CLARENCE B. RANDALL *Director, Inland Steel Company*	Chicago, Ill.
R. DOUGLAS STUART *Chairman of the Board, The Quaker Oats Company*	Chicago, Ill.

EXECUTIVE COMMITTEE

H. C. MURPHY... *Chairman*

JOHN M. BUDD
KENNETH F. BURGESS
GEORGE M. FOSTER

J. C. JAMES
ROBERT S. MACFARLANE
R. DOUGLAS STUART

OFFICERS

H. C. MURPHY, *President*	Chicago
F. L. KARTHEISER, *Vice President-Executive Department*	Chicago
L. R. CAPRON, *Vice President-Traffic Department*	Chicago
S. L. FEE, *Vice President-Operating Department*	Chicago
A. W. LAVIDGE, *Vice President and Comptroller*	Chicago
ELDON MARTIN, *Vice President and General Counsel*	Chicago
J. E. WOLFE, *Vice President-Personnel*	Chicago
HOLLY STOVER, *Executive Assistant*	Chicago
F. E. SPERRY, *Assistant Vice President-Operating Department*	Chicago
R. W. COGLAN, *Treasurer and Assistant Secretary*	Chicago
A. D. McLANE, *Secretary, Assistant Treasurer and Transfer Agent*	Chicago
J. F. McALPINE, *Director of Purchases and Stores*	Chicago
WALTER McFARLAND, *Assistant General Counsel*	Chicago
R. T. CUBBAGE, *Assistant General Counsel*	Chicago
C. W. KROHL, *General Solicitor*	Chicago
R. C. SMITH, *General Auditor*	Chicago
E. J. BROWN, *Chief Engineer*	Chicago
JOHN E. ADAMS E. V. FINK } *Fiscal Agents*	2 Wall Street, New York
GERARD MONTGOMERY CLARA M. BYRNES } *Transfer Agents*	2 Wall Street, New York
SECOND BANK-STATE STREET TRUST COMPANY, *Fiscal Agent and Transfer Agent,*	State and Congress Streets, Boston

The above were Directors and Officers as of December 31, 1957.

HIGHLIGHTS OF OPERATIONS

	1957	1956	Increase (I) or Decrease (D)
Operating Revenues (Page 27)	$258,308,215	$257,032,495	$ 1,275,720 (I)
Operating Expenses (Page 27)	$205,579,093	$196,359,600	$ 9,219,493 (I)
Operating Ratio (Page 27)	79.59	76.39	3.20 (I)
Available for Fixed Charges	$ 24,109,884	$ 28,323,045	$ 4,213,161 (D)
Fixed Charges (Page 27)	$ 6,927,272	$ 6,757,827	$ 169,445 (I)
Times Fixed Charges Earned	3.48	4.19	.71 (D)
Total Taxes (Page 23)	$ 25,735,375	$ 29,940,857	$ 4,205,482 (D)
Net Income	$ 17,182,612	$ 21,565,218	$ 4,382,606 (D)
Dividends Paid	$ 12,812,902	$ 12,812,902	
Averages per Share of Stock:			
Taxes	$ 15.06	$ 17.53	$ 2.47 (D)
Net Income	$ 10.06	$ 12.62	$ 2.56 (D)
Dividends Paid	$ 7.50	$ 7.50	
Net Investment	$745,375,290	$718,977,891	$ 26,397,399 (I)
Rate of Return on Net Investment	2.82%	3.55%	.73 (D)
Average Number of Employes	25,574	26,357	783 (D)
Total Wages	$132,024,310	$128,270,565	$ 3,753,745 (I)
Revenue Ton Miles	15,600,061,500	16,670,939,060	1,070,877,560 (D)
Revenue Passenger Miles	889,102,902	886,356,727	2,746,175 (I)
Miles of Road Operated—end of year	8,758.45	8,799.59	41.14 (D)
Total Outstanding Funded Debt including Equipment Obligations (Page 34)	$221,768,553	$216,958,915	$ 4,809,638 (I)

REPORT

for the Year Ended December 31, 1957

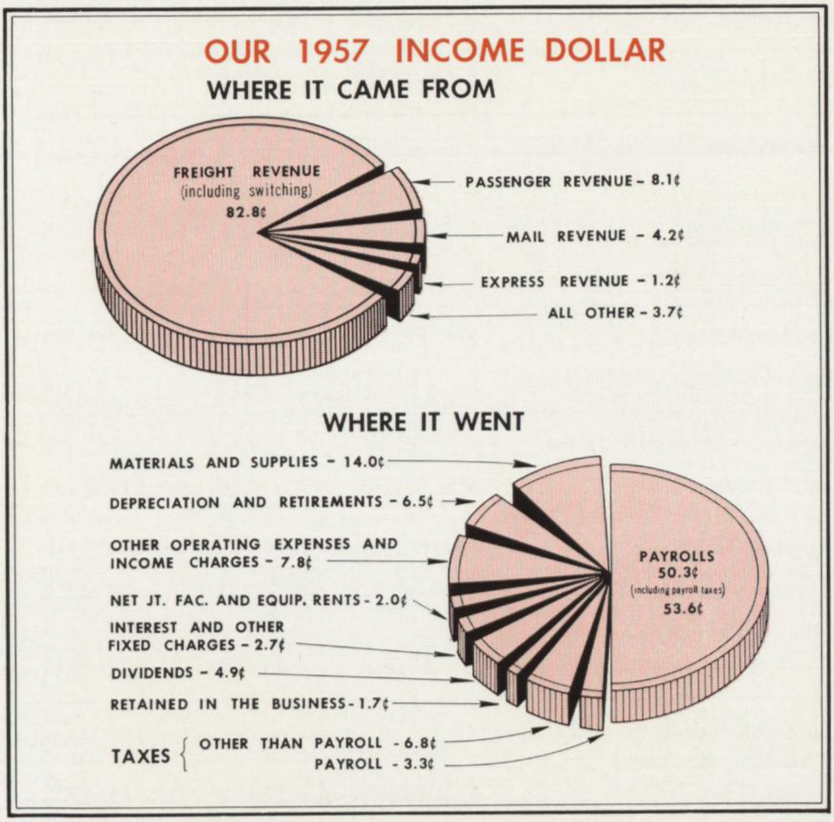
Operating revenues in 1957 totaled $258,308,215, an increase of $1,275,720 as compared with 1956, or .5 per cent, and have been exceeded only by years 1951, 1952 and 1953.

Freight revenue was $212,715,213, an increase of $426,784 or .2 per cent as compared with 1956.

Passenger revenue was $20,922,686, an increase of $696,290 or 3.4 per cent over 1956.

Operating expenses in 1957 totaled $205,579,093, an increase of 4.7 per cent over 1956.

Net income of $17,182,612 was $4,382,606 or 20.3 per cent less than in 1956.

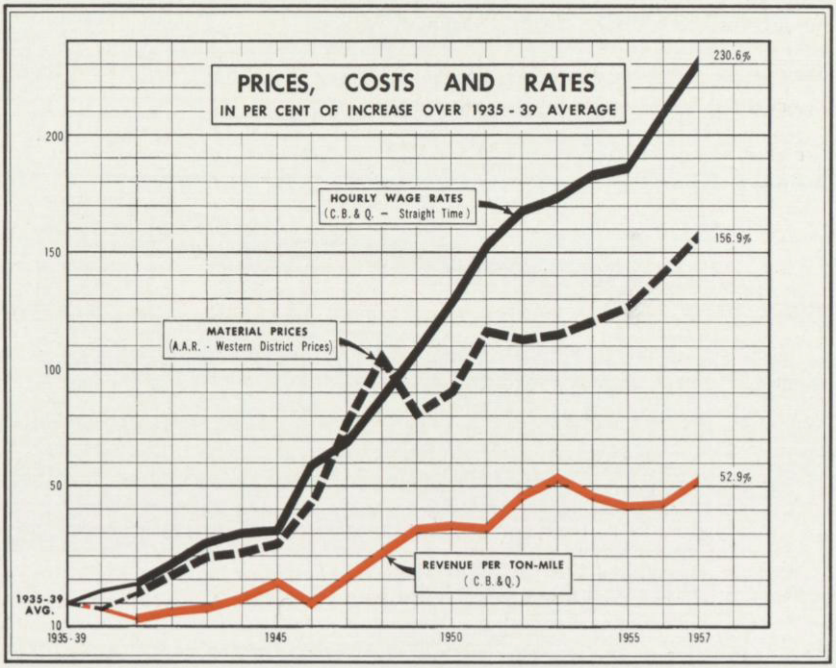


OUR 1957 INCOME DOLLAR

WHERE IT CAME FROM

WHERE IT WENT

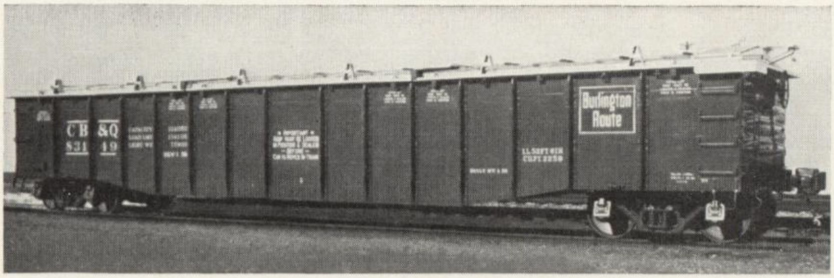
During the past several years wages and material costs have advanced at a substantially greater pace than have charges for transportation of freight and passengers. A continuing program of improvement of facilities and equipment has been necessary to meet this challenge to the greatest possible extent.



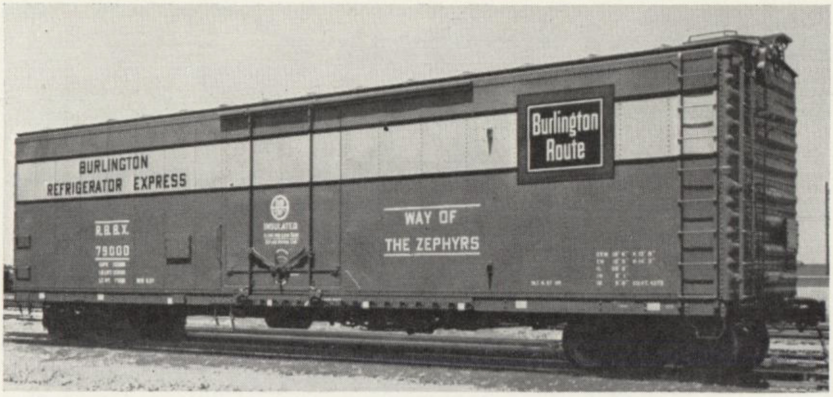
During the year 1957, improvements to property were made totaling $46,416,945. During the last ten years, gross capital expenditures for improvements have amounted to $343,440,927, an average of $34,344,093 a year.

Capital Expenditures by years 1948-1957, inclusive

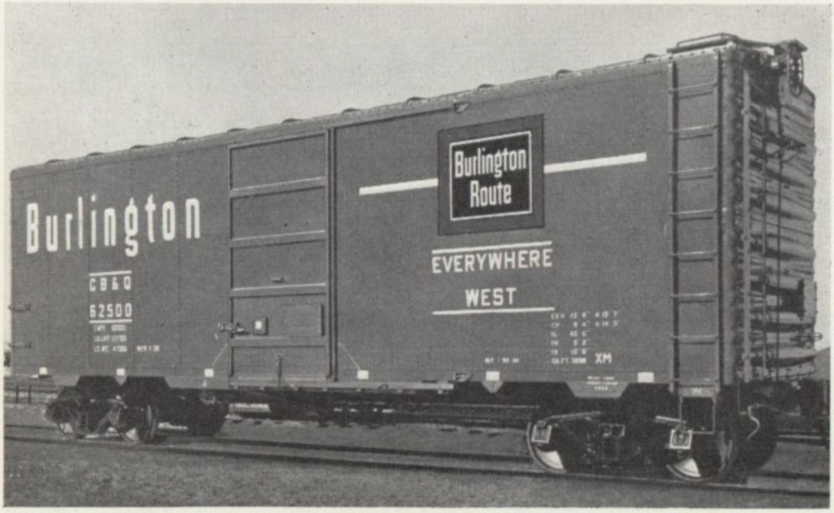
	Gross		Retirements		Net	
Year	Road and General	Equipment	Road and General	Equipment	Road and General	Equipment
1948	$ 11,201,800	$ 23,730,001	$ 2,507,110	$ 3,642,879	$ 8,694,690	$ 20,087,122
1949	9,256,970	19,161,939	2,645,945	3,677,817	6,611,025	15,484,122
1950	12,351,007	22,524,912	2,591,619	6,380,550	9,759,388	16,144,362
1951	8,647,919	21,080,167	2,701,451	7,575,134	5,946,468	13,505,033
1952	18,567,860	21,193,836	3,933,614	7,049,231	14,634,246	14,144,605
1953	11,720,397	33,730,890	4,472,896	9,387,049	7,247,501	24,343,841
1954	10,789,572	16,513,268	4,468,187	10,119,340	6,321,385	6,393,928
1955	5,390,690	19,825,370	6,466,453	6,502,707	Cr. 1,075,763	13,322,663
1956	16,466,228	14,871,156	7,077,988	3,469,423	9,388,240	11,401,733
1957	23,942,890	22,474,055	5,456,775	6,680,908	18,486,115	15,793,147
Total	$128,335,333	$215,105,594	$42,322,038	$64,485,038	$86,013,295	$150,620,556



One of the new gondola cars, built at Havelock (Neb.) Shops, equipped with removable covers. These cars are designed for handling steel shipments.


BURLINGTON REFRIGERATOR EXPRESS
Burlington Route
WAY OF THE ZEPHYRS
R.B.E.X. 79000

Burlington insulated box car, built at Havelock (Neb.) Shops in 1957, has capacity of 132,000 lbs. and is equipped with Damage-Free loading devices.


Burlington
Burlington Route
EVERYWHERE WEST
CB&Q 62500

One of 1500 new 50-ton box cars being built in the Burlington Railroad's shops at Havelock, Neb. The exterior of the car, painted in Chinese red, features newly designed display lettering and reflective Burlington emblem.

FREIGHT TRAFFIC

Revenue tons carried in 1957 were 47,131,182 compared with 50,130,458 in 1956, a decrease of 2,999,276 or 6.0 per cent.

Revenue ton miles were 6.4 per cent less than in 1956. Freight train miles decreased 4.4 per cent.

Revenue per ton mile in 1957 was 1.364 cents compared with 1.273 cents in 1956, an increase of 7.1 per cent.

Carloads of revenue freight in 1957 were 1,359,116, a decrease of 101,291 under 1956, or 6.9 per cent.

Average load per car of carload freight was 34 tons, the same as in 1956; in 1940 the average load was 31 tons.

Source of Freight Revenue

	1957 Revenue*	Per Cent of Total	Per Cent Change from 1956	
			Increase	Decrease
Products of Agriculture	$ 49,965,447	21.77	15.51	
Animals and Products	17,979,335	7.83		9.94
Products of Mines	35,598,445	15.51		6.85
Products of Forests	13,071,654	5.70		2.43
Manufactures and Miscl.	93,090,027	40.55		1.19
Forwarder Traffic	12,015,494	5.23		.30
Less Carload Freight	7,837,260	3.41	.28	
Total	$229,557,662	100.00	.28	

*Gross Freight Revenue, stated without adjustments for absorptions or corrections which reduced total freight revenue to $212,715,213.

Diesel-drawn Burlington freight train speeds its cargo through the countryside.

AGRICULTURE AND LIVESTOCK

1957 was a good year for crops in states served by Burlington lines. Favorable weather accounted for increases in production of all crops except wheat despite the smallest total acreage planted for many years. Wheat production decreased only 6.0 per cent from 1956 while the acreage was cut 28.0 per cent due to the Government's Soil Bank Program and an unusually dry fall in 1956. Corn production increased 5.2 per cent over 1956 and 15.2 per cent over the 1946-1955 average. Sugar beets increased 18.7 per cent over 1956, soybeans 7.9 per cent, edible beans 20.7 per cent, barley 26.8 per cent, oats 20.7 per cent, hay 23.8 per cent, sorghum grain 164.8 per cent. Total U.S. production of sorghum grain in 1957 was 514 million bushels of which 462 million bushels or 90 per cent was produced in states served by Burlington.

At the close of the year prospects for 1958 were bright. The acreage in Burlington states planted to winter wheat in the fall of 1957 for harvest in 1958 has been increased from 18,954,000 acres in 1956 to 24,258,000 acres, an increase of 28.0 per cent. This is largely accounted for by the favorable moisture conditions at seeding time.

Burlington freight service extends through areas of heavy corn production in America's agricultural heartland.

At the close of the year wheat in storage in Burlington states declined 1.1 per cent as compared with 1956 (Nebraska storage increased 5.9 per cent); oats increased 24.3 per cent; corn was up 15.8 per cent; sorghum grain set a new record by increasing 545.7 per cent.

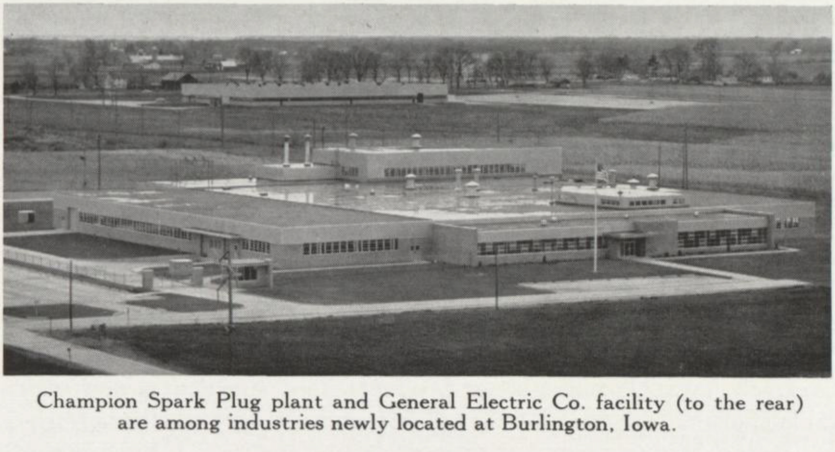
Approximately 2,500 new irrigation wells were completed last year in Nebraska, which will provide water for 284,000 acres of semi-arid farm land. As rainfall was normal during 1957 emphasis on irrigation declined.

Our agricultural department co-operated with business groups, farm organizations, state agricultural colleges and government agencies to promote better farming practices in territory served by the Burlington.

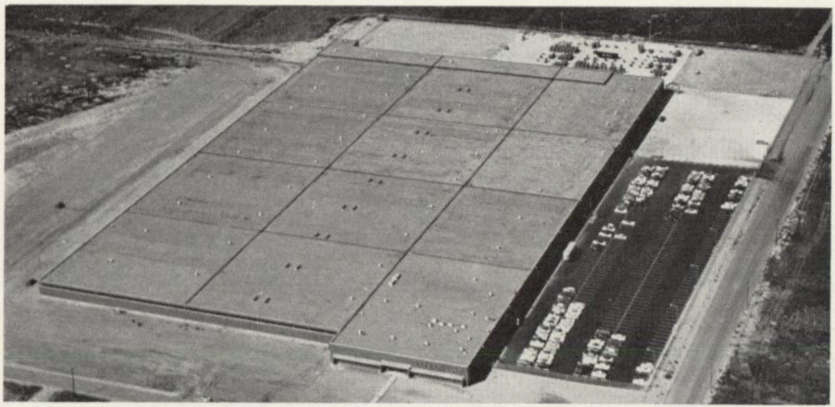
There were 1.5 per cent more cattle on feed in Burlington states at the close of 1957 as compared to the previous year, 6.8 per cent above the 1952-1956 average. Bred sows indicate a 7.3 per cent increase in swine production as compared with last year. Sheep and lambs on feed decreased 1.6 per cent under 1956.

INDUSTRIAL DEVELOPMENT

During the year, 509 new industrial leases were issued on land owned by the Burlington. Twelve industries purchased CB&Q-owned land on which to erect new plants and nineteen new industries located on other lands available to Burlington service, making a total of thirty-one new industries that purchased sites served by CB&Q trackage. Forty-eight new industrial tracks or track extensions were built and four temporary contractors' tracks were installed.



Champion Spark Plug plant and General Electric Co. facility (to the rear) are among industries newly located at Burlington, Iowa.


New parts depot of Caterpillar Tractor Company, containing 500,000 sq. ft., recently completed in Colorado Boulevard Industrial District of Denver, Colo.

BUTLER BROTHERS
BUTLER BROTHERS
New Butler Bros. offices and warehouse distribution center at North Kansas City, served by the Burlington.

Fifty-three acres of land were purchased for industrial development at Rochelle, Illinois. At LaCrosse, Wisconsin, thirty-two acres of marshland were sold to the Vernon Corporation for development as an industrial district. The area is being filled and trackage will be constructed to serve it. City water, a gas main, roads and trackage have been installed to serve Burlington's 400-acre Paseo Bridge Industrial District at North Kansas City, Missouri. Two industries purchased sites in the district and completed construction of buildings thereon late in 1957.

FREIGHT RATES

On August 6, 1957, the Interstate Commerce Commission issued its final report in Ex Parte 206, the general increase case mentioned in the 1956 report, which generally authorized a 12 per cent increase in the West, 14 per cent in the East, 12 per cent between the East and West, and 9 per cent between these territories and the South. Grain, livestock, meats, packinghouse products, lard substitutes and vegetable shortenings were allowed a 9 per cent increase in all territories.

The increase on coal was 15 cents a ton. Maximum increases were provided on some commodities, such as fruits and vegetables, lumber and sugar. These increases took effect August 26, 1957, and were inclusive of the earlier emergency increase of 5 per cent in the West and 7 per cent in the East that became effective December 28, 1956.

The report recognized the increases were inadequate to cover scheduled wage increases November 1, 1957, as well as later increases in prices and costs of materials. The Commission suggested that when additional expenses took effect, the railroads seek further moderate increases by means other than a horizontal increase. Accordingly, the railroads went before the Commission in late December seeking moderate further increases on a selective basis. Tariff of Increased Rates was filed effective February 15, 1958, identified as Ex Parte 212. The Interstate Commerce Commission permitted most of the increases to become effective, lessened the amount on some commodities and accessorial services and suspended a few items. The entire matter is subject to investigation by the Commission which will get under way in April 1958. If the Commission's judgment, after hearing, on any particular commodity or group of commodities or accessorial charges results in a lower rate or charge than provided in tariff as filed, reparation may be awarded.

Rate levels on important tonnage handled by the railroads are constantly being reviewed with the idea of making adjustments where desirable to keep us in a competitive position with other forms of transportation. Probably the most noteworthy adjustment in 1957 was a substantial reduction in the rates on cement. The reduced rates are subject to higher minimum weights and were considered necessary to prevent competing modes of transportation from gaining a foothold in this important traffic.

KOKOMO CASE

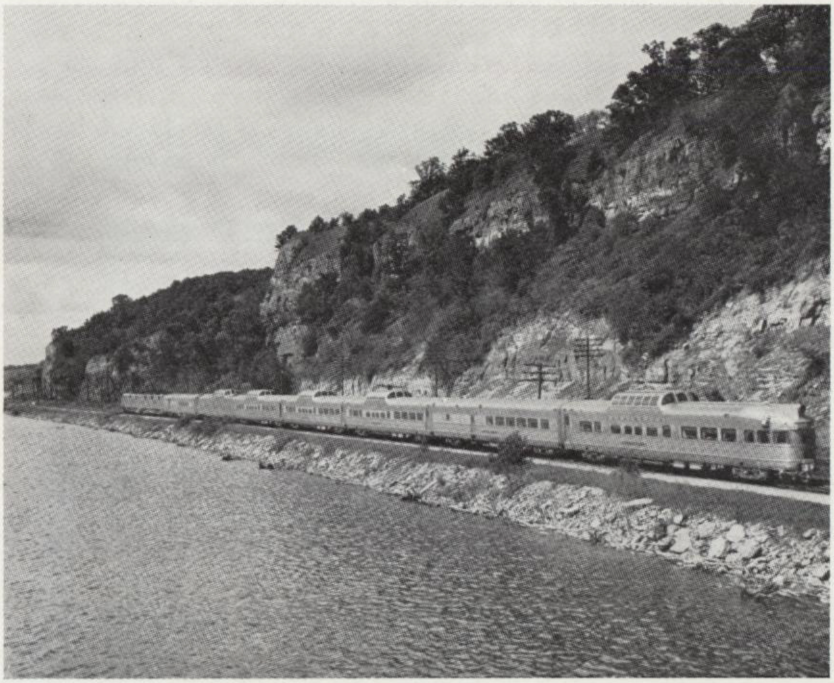
The Kokomo Case, involving rates on iron and steel from Western Trunk Line shipping points as well as Eastern shipping points to important Western Trunk Line destination territory, was concluded during the year. The Federal District Court for the Fourth District (by order of July 26, 1957) upheld an earlier decision of the Commission denying the railroads relief from certain relationship findings contained in an order dated in 1945 when the carrier competitive situation was drastically different. The effect of this action is to preclude our meeting the rates of other transportation agencies without needlessly sacrificing revenue on traffic between points where there is either no carrier competition or competition is not sufficiently severe to warrant competitive rate reductions.

PASSENGER TRAFFIC

Total passenger revenue in 1957 was $20,922,686, an increase of $696,290 or 3.4 per cent over 1956. Eliminating suburban revenue (multiple-ride tickets, one-way and round-trip tickets, and cash fares), the increase was $395,520 or 2.3 per cent over 1956. Revenue from all suburban fares for 1957 was $3,403,726, an increase of $300,770 or 9.7 per cent over 1956.

Passenger traffic in 1957 was handled with a decrease of 537,294 passenger train miles, or 4.5 per cent, compared with 1956. Total passenger car miles decreased 5,847,258 or 5.5 per cent compared with 1956.

Total number of revenue passengers carried in 1957 increased 169,663 or 1.4 per cent over 1956. Corresponding passenger miles increased 2,746,175 or .3 per cent over 1956. Excluding suburban traffic, the number of revenue passengers carried in 1957 decreased 161,717 or 6.2 per cent under 1956. Corresponding passenger miles decreased 5,070,789 or .7 per cent under 1956. Total suburban pas-



Burlington's Twin Cities Zephyr with Vista-Dome cars passes a scenic section along the upper Mississippi River.

sengers carried in 1957 increased 331,380 or 3.5 per cent over 1956. Total suburban passengers one mile in 1957 increased 7,816,964 or 5.0 per cent over 1956.

Average revenue per passenger mile was 2.353 cents in 1957 as compared with 2.282 cents in 1956, an increase of 3.1 per cent.

Vista-Dome Denver Zephyr and Slumbercoach

The total Chicago-Denver passengers handled on the Vista-Dome Denver Zephyrs during 1957 was 96,446, an increase of 21,646 over 1956, or 28.9 per cent. Total revenue passengers carried during 1957 was 209,081, an increase of 28,373 over 1956, or 15.7 per cent. Slumbercoach passengers handled during 1957 were 35,748, in 1,141 car trips, with an average of 31.3 passengers per car trip.

New Suburban Gallery Cars

The ten additional stainless steel air-conditioned suburban gallery cars similar to those already in service, which were ordered in October 1956, were received and placed in service in the fall of 1957, bringing the total of such cars to sixty.

Lunch counter is a feature of the Chuck Wagon buffet car on the Vista-Dome Denver Zephyr. Table service is also provided.

Baby rests in its own crib within easy reach of mother in low-fare Slumbercoach on Burlington's Vista-Dome Denver Zephyr.

Unprofitable Passenger Train Service

As a part of our continuing study of the problem of unprofitable passenger service, the following trains were discontinued during the year:

Trains 109 and 110—Burlington-Quincy—Daily except Sunday motor trains 109 and 110 between Burlington and Quincy (West Station) via Carthage were withdrawn effective January 13, 1957—with annual train miles saving of	45,698
Trains 33 and 34—Galesburg-Quincy—Daily trains 33 and 34 between Galesburg and Quincy were withdrawn effective March 17, 1957—with annual train miles saving of	73,730
Trains 15 and 32—Burlington-Omaha—Daily except Sunday trains 15 and 32 between Burlington and Omaha were withdrawn effective April 28, 1957—with annual train miles saving of	183,105
Trains 11 and 12—Beardstown-Herrin—Daily except Sunday motor trains 11 and 12 between Beardstown and Herrin were withdrawn effective April 28, 1957—with annual train miles saving of	121,444
Trains 3 and 4—Quincy-Brookfield—Daily trains 3 and 4 between Quincy and Brookfield were withdrawn effective August 1, 1957—with annual train miles saving of	74,460
Trains 41-90 and 42-89—St. Joseph-Lincoln—Daily trains 41-90 and 42-89 between St. Joseph and Lincoln were withdrawn on Sundays only, effective October 13, 1957—with annual train miles saving of	19,032
Trains 41 and 44—Lincoln-Alliance—Daily trains 41 and 44 between Lincoln and Alliance were withdrawn on Sundays only, effective October 13, 1957—with annual train miles saving of	38,064
Total Passenger Train Miles Saving, per Annum	555,533

Studies are now in progress for further reduction in passenger train miles on other lines. Favorable decisions have already been rendered on two lines and others are being actively pursued.

Steps were taken throughout the year to curtail dining and sleeping car operations and the number of coaches and head-end cars on various trains, where possible without impairment of service. These re-arrangements resulted in worthwhile savings.

The daily operation of the coast-to-coast sleeping car on the California Zephyr between New York and San Francisco, via the Pennsylvania Railroad and the New York Central east of Chicago on alternate days, was discontinued with the last car from New York on October 25 and from San Francisco on October 24, 1957.

PASSENGER RATES

Effective January 1, 1957, one-way basic coach and first-class fares (except suburban) were increased 5 per cent for interstate and generally for intrastate travel (except in Illinois where the increase was made

BURLINGTON
PULLMAN
SILVER SLUMBER
Slumbercoach

Exterior of the Slumbercoach on the Vista-Dome Denver Zephyr shows duplex arrangements of individual rooms for coach passengers.

effective July 29, 1957). Round-trip coach fares (except suburban) were also increased 5 per cent while the formula for round-trip first-class station-to-station fares was changed from 167 per cent to 180 per cent of the new one-way first-class fares, producing an increase of 13.4 per cent in such fares.

Effective January 1, 1957, the Pullman Company increased all space rates and charges 7 per cent for interstate and generally for intrastate travel (except in Nebraska where the increase became effective March 17, 1957 and in Illinois on May 10, 1957).

Effective May 1, 1957, one-way, round-trip, and 10- and 25-ride bearer ticket fares in the Chicago suburban district were increased approximately one-half cent per mile or an average of 18.5 per cent. The 46- and 54-ride monthly ticket fares and the 12-ride Aurora weekly ticket fare were not changed.

Effective July 1, 1957, the special round-trip coach class fares for military personnel on furlough were increased 12.5 per cent.

MAIL

U.S. mail income for the year 1957 was $11,073,701 compared with $10,583,811 for the year 1956, an increase of $489,890—4.6 per cent. This includes the 7½ per cent increase ($425,000) in mail pay granted December 31, 1957, retroactive to July 1, 1957.

EXPRESS

Express income for 1957 was $3,051,731 compared with $3,532,844 for 1956, a decrease of $481,113—13.6 per cent. A good part of this decrease is attributed to the Railway Express Agency strike which extended from April 22 to July 22, 1957. On July 24, 1957, the Railway Express Agency petitioned the Interstate Commerce Commission for authority to generally increase by 15 per cent its less than carload and carload rates and charges, with certain items excepted. Hearings have been had, with the matter still pending at the close of the year.

OPERATIONS

Maintenance of Way and Structures expenses, excluding depreciation and retirements, increased $3,682,299 or 12.1 per cent over 1956. Some of the important maintenance work performed during the year was:

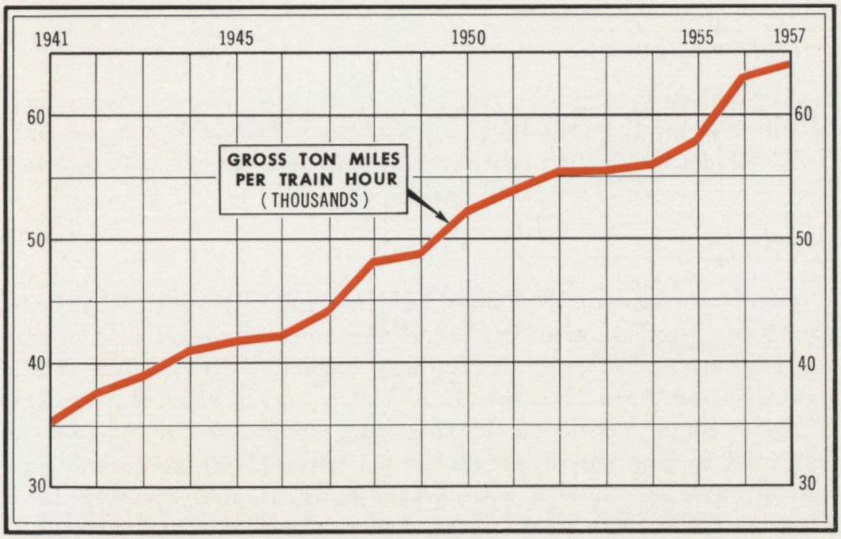
Track relaid with new 129-pound T.R. rail	**19.35 miles**
Track relaid with new 112-pound T.R. rail	**135.72 miles**
Track relaid with secondhand 112, 110, 100 and 90-lb. rail	**116.42 miles**
New creosoted cross ties placed in track	**473,558**
Ballast applied	**764,421 cu. yards**

Maintenance of Equipment expenses, excluding depreciation and retirements, increased $1,544,220 or 4.8 per cent over 1956. Equipment was currently maintained and, in addition, 1,090 cars were given general repairs.

Transportation expenses increased $2,375,070 or 2.4 per cent over 1956.

The operating ratio for 1957 was 79.59 per cent compared with 76.39 per cent in 1956.

Gross ton miles per train hour increased from 63,101 in 1956 to 63,813 in 1957, or 1.1 per cent. The increase during past several years is indicated in the following chart.



IMPROVEMENTS

Capital expenditures in 1957:

	Gross	Retirements	Net
Road	$23,945,674	$ 5,161,366	$18,784,308
Equipment	22,474,055	6,680,908	15,793,147
General	Cr. 2,784	295,409	Cr. 298,193
Total	$46,416,945	$12,137,683	$34,279,262

Road

Capital charges for improvement and replacement of bridges amounted to $1,863,048.

Major improvements completed during the year:

Construction of additional facilities at Galesburg Timber Treating Plant.

> These improvements provide more economical processing and distribution of treated ties and bridge timbers and permitted retirement of plant at Sheridan, Wyoming.

Rearrangement and extension of east end of yard at Peoria, Illinois.

> This improvement reduced switching time and will make possible faster handling of freight traffic through the yards.

Construction of direct connection from Sioux City Bridge Company's tracks to Great Northern Railway Company's 26th Street Yards at Sioux City, Iowa.

> This improvement eliminates the crossing of many busy streets and railroad crossings for interchange at Great Northern's Steuben Street Yard, thus providing faster and more economical freight movement.

Line change at Woodlawn, Nebraska.

> This work was done at expense of United States Government to permit extension of runways at the Lincoln Air Base.

Additional facilities for maintenance and servicing of Zephyr type trains at Denver, Colorado.

> These improvements will permit complete maintenance of Denver Zephyrs and Texas Zephyrs, with less delay.

Installation of centralized traffic control system, with necessary track changes, between Hannibal and Mark, Missouri; Mark and Palmyra, Missouri; and Palmyra and Macon, Missouri.

> These improvements are part of an overall plan to reduce restrictive speed conditions and expedite movements between Chicago and Kansas City and between St. Louis and points north and west thereof.

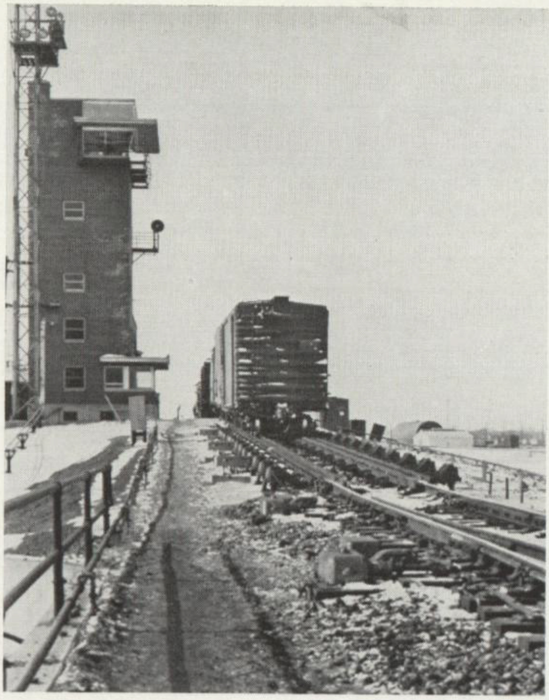
Major improvements under construction:

A principal project carried forward in 1957 was the automatic classification yard at Cicero, Illinois, utilizing electronically controlled retarders and modern switching and signaling equipment for faster, more efficient handling of freight cars through the Chicago terminal. Movement of cars over the 16-foot hump was started late in 1957. By the end of the year the receiving, departure and classification yards were in operation, with only the repair and cleaning tracks remaining to be completed in 1958.

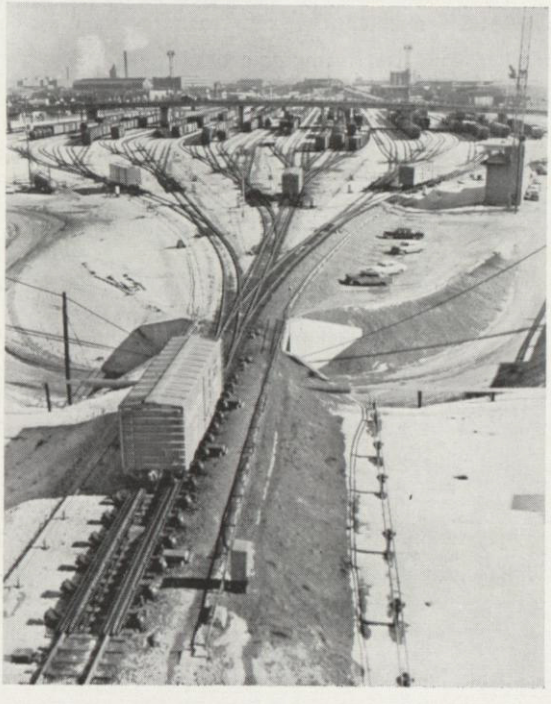
The average car will move through the new yard about three and one half hours faster than in the flat yard formerly occupying the site. Fewer diesel switch engines will be required, and operating economies approximating a 10 per cent return after taxes on the investment are anticipated.

(Major improvements under construction continued page 20)

Retarder operator oversees operation of the six sets of group retarders and activates switches at the west end of the receiving tracks from his control panel on the third floor of the retarder tower at Burlington's Cicero Automatic Classification Yard.



Box car starts descent from the crest of the Cicero Automatic Classification Yard's hump and enters the master retarder. Hump tower, the nerve center of the Burlington yard's operations, is to the left.



One of the Burlington's new box cars moves down the Cicero Automatic Classification Yard hump and thru the master retarder, following other cars rolling through group retarders toward classification tracks under Laramie Ave. bridge. To the right is the retarder tower.

Major improvements under construction: (continued)

Installation of cab signaling, including application of equipment to locomotives.

> Equipment installation on locomotives is complete and system is in service from Union Avenue, Chicago, through Aurora to Savanna, Illinois, including centralized traffic control Union Avenue, Chicago, through LaVergne. Work is now under way on centralized traffic control between LaVergne and Downers Grove.

Consolidation of terminal facilities at St. Joseph, Missouri, for maintenance and servicing of Diesel locomotives due to conversion from steam to Diesel.

> All unnecessary buildings are being retired and remaining facilities consolidated to provide more economical operations, reduce heating expense, maintenance, etc.

Facilities for maintenance and servicing of Diesel locomotives at Lincoln, Nebraska.

> This installation will provide more economical servicing of Diesel locomotives between assigned runs, and permit extending the pool of Diesel locomotives to Lincoln.

Installation of centralized traffic control system at Burlington, Iowa, and automatic highway crossing protection at eight street crossings

> This improvement will provide centralized traffic control operation from Connett, Milepost 202.4, to Milepost 206.8 west of Burlington, and will move traffic safer and faster.

Construction of additional grain and car storage yard at Lincoln, Nebraska.

> This improvement will increase efficiency in handling grain to the increased facilities of various grain elevators at Lincoln. It will also provide more space for car storage and inspection.

Construction of Freight House No. 8 at Berwyn, Illinois.

> This improvement will permit faster and more economical handling of less carload freight than is now possible through present Harrison Street freight house.

Construction of Freight House No. 11 at Western Avenue, Chicago, Illinois.

> This improvement will provide facilities for expeditious handling of additional forwarder business and will produce substantial line-haul revenue for Burlington.

Equipment placed in service

Built in Company Shops:

74—53′6″ 50-ton all steel flat cars.
50—60′0″ 50-ton all steel flat cars.
297—29′3″ 70-ton all steel covered hopper cars.
300—50′6″ 50-ton all steel box cars.
100—50′6″ 70-ton all steel roller bearing D.F. insulated box cars.
510—52′6″ 70-ton all steel mill type gondola cars.
70—50′0″ 70-ton all steel mechanical refrigerator cars.

Purchased:

30—1750 h.p. SD-9 Diesel-electric road-switch locomotives.
52—29′6″ 70-ton all steel airslide covered hopper cars.
10—85′0″ double-deck stainless steel suburban cars.
1—85′0″ painted stainless steel dining car.

Equipment on order, delivery expected in 1958

To be Built in Company Shops:

90—52′6″ 70-ton all steel mill type gondola cars.
50—65′6″ 70-ton all steel mill type gondola cars.
350—29′3″ 70-ton all steel covered hopper cars.
1500—40′6″ 50-ton all steel box cars.
100—50′6″ 70-ton all steel roller bearing D.F. insulated box cars.

To be Purchased:

75—29′6″ 50-ton all steel airslide covered hopper cars.

SIGNALING

Work now in progress to be completed in 1958 includes:

Installation of centralized traffic control between Kansas City and St. Joseph, Missouri. This improvement will permit removing and retiring 43.37 miles of second main track, eliminating necessity of early renewal, and will produce savings in future maintenance costs. One of the first railroads to adopt centralized traffic control, the Burlington now has this advanced type of signaling on about 1,500 miles of track.

Remote control of Knox Street interlocking plant at Galesburg, Illinois.

Installation of automatic highway crossing protection at four streets, LaGrange, Illinois, relieving manual protection.

LINE ABANDONMENTS

On June 6, 1957, the Interstate Commerce Commission authorized the abandonment of the line of railroad between Osceola and Truro, Iowa, a distance of approximately 21.7 miles. The line was abandoned on July 20, 1957.

On November 20, 1957, the Interstate Commerce Commission authorized the abandonment of the branch line between Daykin and Helvey, Nebraska, a distance of approximately 4.61 miles. Service on the line was discontinued and the line will be removed in 1958.

Applications for authority to abandon the lines between Northboro and Clarinda (17.50 miles) and between Centerville and Corydon (26 miles), both in the state of Iowa, are pending before the Interstate Commerce Commission.

LABOR

Negotiations in progress at the close of 1956 with Engineers, Conductors, Trainmen, Yardmasters and Dispatchers organizations resulted in agreements being consummated in 1957 similar to those reached in 1956 with all other crafts. Each of these agreements contains the moratorium provisions and provides for a wage increase retroactive to November 1, 1956, to be extended over a three-year period. The 1957, or second-year wage increase of 7 cents per hour, effective November 1, 1957, in addition to the cost-of-living adjustments during the year totaling 8 cents per hour, applicable to all employes of the Company as a result of the aforementioned agreements, increased the annual expense on the Burlington approximately $9,115,000.

SAFETY AWARDS

The National Safety Council's Public Safety Activities Award was conferred on the CB&Q during the year in recognition of its "outstanding safety program directed to employes and the general public." These activities were directed toward the prevention of accidents at rail-highway crossings, those resulting from trespassing, as well as those at home and elsewhere off the job. *This is the second time in three years the company has been so honored.*

The Council also gave Certificates of Commendation to Havelock Store and Eola Reclamation Plant and Scrap Dock in recognition of outstanding safety on the job.

FINANCIAL

During 1957 capital liabilities of the Company increased $4,809,638:

	Increase	Decrease	Net
Funded Debt	$ —	$ 996,000	$ 996,000 Decrease
Equipment Obligations	14,400,000	8,594,362	5,805,638 Increase
Total	$14,400,000	$ 9,590,362	$ 4,809,638 Increase

The total interest charges for 1957 increased $158,326.

DIVIDENDS

Dividends totaling $7.50 per share were paid in 1957, the ninety-sixth consecutive year in which the Company has paid a dividend.

TAXES

Tax accruals in 1957 decreased $4,205,482 compared with 1956:

	1957	
Federal Income Taxes	$ 6,290,758	$5,482,442 Decrease
Federal Railroad Retirement Taxes	6,611,045	7,968 Decrease
Federal Unemployment Taxes	2,114,503	522,334 Increase
State and Other Government Taxes	11,275,427	132,712 Decrease
	$26,291,733	$5,100,788 Decrease
Federal Income Taxes credited to Retained Income	556,358	895,306 Decrease
Total	$25,735,375	$4,205,482 Decrease

Total taxes in 1957 amounted to 9.96 per cent of total operating revenues, equivalent to $15.06 per share of capital stock.

ACCELERATED AMORTIZATION

Deductions for accelerated amortization of certain equipment and other new property, certified by the Office of Defense Mobilization as being necessary to national defense, have been permitted for income tax purposes. In the stated income account, the Interstate Commerce Commission, by order of December 21, 1951, has permitted depreciation on the same property only on the basis of its normal life. This has had the effect of reducing income taxes which otherwise would have been payable, thereby increasing the stated net income during the accelerated period. *Actually, however, this reduction is only a deferment, and not a tax saving,* because after amortization has been exhausted income taxes will be greater during the remaining normal life of the property than if the accelerated amortization had not been allowed.

The net amount of tax deferment in 1957 resulting from accelerated amortization in excess of I.C.C. depreciation based on normal lives was $4,935,502 or $2.89 per Common share.

EMPLOYE BENEFITS

During the year 1957 disability and death claim payments amounting to $797,096 were paid to 4,110 employes by the Relief Department.

Federal taxes aggregating $6,611,045 were paid by the Company for disability and old-age retirement of employes as compared with $6,619,013 in 1956.

The Federal unemployment insurance tax, borne wholly by the Company, amounted to $2,114,503. This was $522,334 more than was paid in 1956, which, in turn, was $1,066,387 more than the corresponding tax paid in 1955. This rapid rise in what has become an increasingly burdensome tax was due chiefly to increased tax rates automatically resulting from decreases in the amount of reserves in the Federal Unemployment Insurance Account each year, as determined by the Railroad Retirement Board. Thus, the tax rate was ½ per cent in 1955; but when the balance in the account fell below $400 million the tax rate automatically became 1½ per cent on January 1, 1956. In like manner, when the reserve balance declined below $350 million in 1956, the rate rose to 2 per cent on January 1, 1957; and a balance below $300 million in 1957 resulted in a rate of 2½ per cent effective January 1, 1958. The present rate of 2½ per cent is five times the 1955 rate.

FEDERAL LEGISLATION

The problems of the railroad industry were high-lighted at a White House conference in December 1957, and early in January 1958, at hearings before a Subcommittee of the Senate Committee on Interstate and Foreign Commerce. These hearings have created a better understanding of the essential role of the railroads in the nation's transportation and the vital importance of legislation to provide greater equality of opportunity for the railroad industry.

The testimony of executives representing most of the nation's major railroads emphasized the unequal competitive position of the railroads, and outlined some of the problems of the industry in meeting the challenge of unregulated and subsidized competitors.

In testimony* before the Committee, your President recommended legislation

(1) to repeal the Transportation Excise Tax, which is a direct burden on common carrier transportation,

(2) to provide that, in considering rate reductions proposed by railroads, the Interstate Commerce Commission should disregard the effect of such changes on the rates and traffic of competitors,

(3) to repeal or reduce the scope of the "agricultural exemption" under which motor vehicles carrying agricultural commodities are exempt from all economic regulation,

(4) to afford railroads more realistic treatment of depreciation and retirement allowances.

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*A copy of this statement entitled "A Realistic Look at the Railroads" will be furnished on request.

BURLINGTON TRUCK LINES, INC.

Burlington Truck Lines, Inc., a wholly-owned subsidiary, reported net income of $491,494 in 1957 compared with net income of $824,609 in 1956.

Operating revenues were $12,510,871, an increase of $1,056,336 or 9.2 per cent over 1956.

Operating expenses were $10,935,459, an increase of $1,486,525 or 15.7 per cent over 1956.

Truck miles operated over an average of 5,960 route miles were 15,038,016, an increase of 1,644,499 or 12.3 per cent over 1956.

Units of revenue freight equipment owned as of December 31, 1957, compared with December 31, 1956, were as follows:

	1957	**1956**
Trucks	160	173
Truck-tractors	393	374
Semi-trailers	1,351#	1,047*

#Includes 26 under lease.
*Includes 55 under lease.

Burlington Truck Lines, Inc., is performing the pick-up and delivery service for the CB&Q at 45 points.

Trailer-on-flat-car (piggy-back) business shows a very favorable growth. During 1956 approximately 10,500 loaded trailers (rail and truck) moved in this service; in 1957 this increased to about 15,700.

During the year, Coffey Transfer (531 route miles), in Nebraska and Kansas, was acquired on permanent authority granted by the Interstate Commerce Commission.

The Commission authorized certain extensions totaling 637 route miles in Missouri and Iowa but operations over these extensions were not commenced during the year.

A Commission Examiner recommended that authority be granted to acquire Love Transfer (77 route miles) with operating rights between Kansas City and St. Joseph, Missouri. This case is now pending on exceptions filed by American Trucking Association.

An order authorizing acquisition of Arrow Freight Lines (825 route miles) with operating rights in Nebraska, which had been assigned for disposition without hearing, was entered by a Division of the Commission but on petitions of American Trucking Association and certain protesting motor carriers, the case was reopened for oral hearing and is still pending.

Interstate Commerce Commission approval is being sought to purchase Hobby Truck Lines (36 route miles) in Iowa and western Illinois. In addition, negotiations are in progress for purchase of a route between Aurora and Chicago, Illinois.

Acquisition and operation of these additional routes would add approximately 1,600 route miles to truck operations and enable Burlington Truck Lines to almost completely parallel railroad operations.

CHANGES IN ORGANIZATION

The following officers retired under the Pension Rules in 1957:

Mr. O. J. Smidl, Assistant Vice President-Operation (Contracts) after 56 years of service with the Company.

Mr. J. B. Lamson, Director, Department of Industry and Agriculture, after 45 years of service with the Company.

Mr. W. R. Eble, Assistant General Manager, after 47 years of service with the Company.

Mr. W. H. Klinsick, Fire Prevention Engineer, after 38 years of service with the Company.

Mr. J. E. Wolfe, Assistant Vice President-Labor Relations, was elected Vice President-Personnel, effective July 1, 1957, after 32 years of continuous service with the Company.

* * *

The Company acknowledges, with thanks, the loyalty and efficient services of officers and employes.

By order of the Board of Directors.

H. C. MURPHY, President

COMPARATIVE STATEMENT OF INCOME, YEARS ENDED DECEMBER 31

(See Pages 38 to 40)

Percent of Ry. Oper. Revenue	1957	Railway Operating Revenues	1956	Percent of Ry. Oper. Revenue
82.35	$212,715,213	Freight	$212,288,429	82.59
8.10	20,922,686	Passenger	20,226,396	7.87
4.29	11,073,701	Mail	10,583,811	4.12
1.18	3,051,731	Express	3,532,844	1.38
1.83	4,735,296	All other transportation	4,863,730	1.89
1.73	4,466,886	Incidental	4,480,882	1.74
.52	1,342,702	Joint facility	1,056,403	.41
100.00	258,308,215	Total railway operating revenues	257,032,495	100.00
Operating Ratios		**Railway Operating Expenses**		Operating Ratios
15.42	39,830,000	Maintenance of way and structures	35,749,003	13.91
17.34	44,775,473	Maintenance of equipment	42,790,642	16.64
2.74	7,077,231	Traffic	6,806,132	2.65
39.56	102,194,491	Transportation	99,819,421	38.84
1.45	3,747,148	Miscellaneous operations	3,749,597	1.46
3.08	7,954,750	General	7,444,805	2.89
79.59	205,579,093	Total railway operating expenses	196,359,600	76.39
20.41	52,729,122	Net revenue from railway operations	60,672,895	23.61
	6,290,758	Federal income taxes	11,773,200	
	8,725,548	Federal payroll taxes	8,211,183	
	11,275,427	All other taxes	11,408,138	
	*26,291,733	Total taxes	*31,392,521	
	26,437,389	Railway operating income	29,280,374	
	Dr. 3,270,215	Hire of equipment—Net	Dr. 1,501,309	
	Dr. 2,165,782	Joint facility rents—Net	Dr. 2,236,778	
	21,001,392	Net railway operating income	25,542,287	
		Other Income		
	1,202,338	Rentals	1,068,592	
	2,125,477	Dividends and interest	1,947,021	
	43,905	Miscellaneous	48,168	
	3,371,720	Total other income	3,063,781	
	24,373,112	Total income	28,606,068	
		Deductions from Total Income		
	31,625	Rents payable	37,390	
	150,143	Taxes on nonoperating property	158,525	
	81,460	Miscellaneous income charges	87,108	
	263,228	Total deductions	283,023	
	24,109,884	Income available for fixed charges	28,323,045	
		Fixed Charges		
	54,375	Rent for leased roads and equipment	52,665	
	6,801,818	Interest on funded debt	6,643,492	
	2,572	Interest on unfunded debt	818	
	68,507	Amortization of discount on funded debt	60,852	
	6,927,272	Total fixed charges	6,757,827	
	17,182,612	Net income after fixed charges	21,565,218	
		Disposition of Net Income		
	12,812,902	Dividend appropriations of income	12,812,902	
	$ 4,369,710	Balance of income transferred to Retained Income	$ 8,752,316	

*See page 23—"Taxes"

GENERAL BALANCE SHEET

December 31, 1957

ASSETS

CURRENT ASSETS:		
Cash		$ 27,149,680
Temporary cash investments		21,847,053
Special deposits		431,955
Loans and notes receivable		65
Net balance receivable from agents and conductors		4,754,062
Miscellaneous accounts receivable		9,146,164
Interest and dividends receivable		34,096
Accrued accounts receivable		6,677,326
Working fund advances		138,644
Prepayments		307,544
Material and supplies		19,181,888
Other current assets		626,292
Total current assets		90,294,769
SPECIAL FUNDS:		
Sinking funds		1,732
Capital and other reserve funds		948,002
Total special funds		949,734
INVESTMENTS:		
Investments in affiliated companies:		
Stocks	$ 26,446,110	
All other	13,943,888	40,389,998
Other investments:		
Stocks	$ 3,885,729	
Bonds	4,111,388	
All other	2,763	7,999,880
Total investments		48,389,878
PROPERTIES:		
Road and equipment property		899,470,680
Accrued depreciation—Road and equipment	$184,217,870	
Amortization of defense projects—Road and equipment	$ 40,657,575	224,875,445
Total transportation property less recorded depreciation and amortization		674,595,235
Miscellaneous physical property		8,505,360
Total properties less recorded depreciation and amortization		683,100,595
OTHER ASSETS AND DEFERRED CHARGES:		
Other assets		1,066,558
Unamortized discount on long-term debt		376,678
Other deferred charges		2,897,553
Total other assets and deferred charges		4,340,789
Grand Total		$827,075,765

GENERAL BALANCE SHEET

December 31, 1957

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Traffic and car-service balances—Cr.		$ 2,107,834
Audited accounts and wages payable		11,938,219
Miscellaneous accounts payable		3,663,866
Interest matured unpaid		261,806
Unmatured interest accrued		2,226,384
Accrued accounts payable		5,123,448
Taxes accrued		12,743,354
Other current liabilities		4,261,053
Total current liabilities		42,325,964
LONG-TERM DEBT:		
Funded debt unmatured (Page 34):		
Total issued	$317,850,100	
Held by or for company	177,134,100	140,716,000
Equipment obligations (Page 34)		81,052,553
Amounts payable to affiliated companies		974,204
Total long-term debt		222,742,757
RESERVES:		
Insurance reserves		1,392,996
Casualty and other reserves		5,946,945
Total reserves		7,339,941
OTHER LIABILITIES AND DEFERRED CREDITS:		
Other liabilities		609,659
Unamortized premium on long-term debt		260
Other deferred credits		534,701
Accrued depreciation—Leased property		110,013
Total other liabilities and deferred credits		1,254,633
SHAREHOLDERS' EQUITY:		
Capital stock issued		170,839,100
Common stock—Par value $100 per share.		
Capital surplus		316,033
Retained income		
Retained income—Appropriated (Page 30)		48,025,460
Retained income—Unappropriated (Page 30)		334,231,877
Total retained income		382,257,337
Total shareholders' equity		553,412,470
Grand Total		$827,075,765

COMPARATIVE STATEMENT OF UNAPPROPRIATED RETAINED INCOME ACCOUNT, YEARS ENDED DECEMBER 31

	1957	1956	Increase	Decrease
CREDITS:				
Credit balance at beginning of year	$329,976,817	$322,309,578	$ 7,667,239	
Credit balance transferred from income	4,369,710	8,752,316		$ 4,382,606
Miscellaneous credits	1,047,948	438,399	609,549	
Total	$335,394,475	$331,500,293	$ 3,894,182	
DEBITS:				
Miscellaneous debits	$ 1,162,598	$ 1,523,476		$ 360,878
Credit balance carried to balance sheet	334,231,877*	329,976,817*	$ 4,255,060	
Total	$335,394,475	$331,500,293	$ 3,894,182	

* Approximate application of Income included in Unappropriated Retained Income as of December 31:

	1957	1956
Net working capital retained in the business	$ 48,950,999	$ 49,239,477
Invested in affiliated and non-affiliated companies	22,882,030	20,479,465
Expended in improving the Railroad plant	262,398,848	260,257,875
	$334,231,877	$329,976,817

Appropriated Retained Income of $48,025,460 (page 29) was expended in retiring Funded Debt prior to Year 1928.

INVESTMENT IN ROAD AND EQUIPMENT

YEAR 1957

Account		Additions and Betterments
Engineering		$ 1,274,538
Land for transportation purposes		312,580
Other right-of-way expenditures		62,583
Grading		1,575,373
Tunnels and subways		9,674,896
Bridges, trestles and culverts		1,467,317
Ties		53,216
Rails		656,767
Other track material		723,604
Ballast		226,820
Track laying and surfacing		251,589
Fences, snowsheds and signs		1,190
Station and office buildings		985,605
Roadway buildings		8,883
Water stations	Cr.	228,074
Fuel stations	Cr.	39,101
Shops and enginehouses		449,488
Communication systems		202,675
Signals and interlockers		836,699
Power plants	Cr.	392
Power-transmission systems		90,614
Miscellaneous structures	Cr.	96,774
Roadway machines		181,090
Roadway small tools	Cr.	1,743
Public improvements—Construction		62,816
Shop machinery		51,176
Power-plant machinery		873
Total expenditures for road		18,784,308
Steam locomotives	Cr.	1,315,163
Other locomotives		5,979,279
Freight-train cars		11,328,113
Passenger-train cars	Cr.	185,499
Work equipment	Cr.	90,330
Miscellaneous equipment		76,747
Total expenditures for equipment		15,793,147
Organization expenses	Cr.	441
General officers and clerks	Cr.	17,889
Law	Cr.	8,682
Stationery and printing	Cr.	1,206
Taxes	Cr.	6,026
Interest during construction	Cr.	256,352
Other expenditures—General	Cr.	7,597
Total general expenditures	Cr.	298,193
Grand Total		$34,279,262

"Cr."—Credits due to retirements.

STATISTICS OF OPERATIONS

ITEMS	1957	1956
Actual miles road operated, end of year	8,758.45	8,799.59
Average mileage of road operated—Total	8,776.89	8,804.00
Average mileage of road operated—Freight Service	8,742.69	8,769.80
Average mileage of road operated—Passgr. Service	4,620.27	4,828.22
TRAIN MILES		
Freight	12,595,643	13,168,976
Passenger	11,431,772	11,969,066
Total transportation service	24,027,415	25,138,042
Work service	149,700	115,457
LOCOMOTIVE MILES		
Freight	12,836,575	13,434,856
*Passenger	10,967,629	11,365,784
Train and yard switching	6,731,537	6,927,282
Total transportation service	30,535,741	31,727,922
Work service	652,010	616,960
CAR MILES		
Loaded freight cars	554,991,317	596,173,719
Empty freight cars	307,523,212	289,887,007
Sum of loaded and empty	862,514,529	886,060,726
Caboose	12,016,664	12,440,632
Total freight cars	874,531,193	898,501,358
Coach and combination passenger cars	28,802,807	29,713,390
Sleeping and parlor	21,046,880	22,599,527
Club, lounge, dining and observation	10,595,848	10,329,893
Other	40,274,453	43,924,436
Total passenger cars	100,719,988	106,567,246
Total transportation service	975,251,181	1,005,068,604
Work service	1,545,836	949,453
FREIGHT SERVICE		
Tons—revenue freight	47,131,182	50,130,458
Tons—revenue and non-revenue freight	49,568,319	52,521,522
Ton-miles—revenue freight	15,600,061,500	16,670,939,060
Ton-miles—revenue and non-revenue freight	16,264,075,000	17,340,305,700
PASSENGER SERVICE		
Passengers carried—revenue	12,142,153	11,972,490
Passenger miles—revenue	889,102,902	886.356.727

***Excludes mileage of combination motor passenger cars:**
1957 — 570,276
1956 — 710,988

STATISTICS OF OPERATIONS—Continued

ITEMS	1957	1956
AVERAGES PER MILE OF ROAD		
Freight-train miles	1,441	1,502
Passenger-train miles	2,474	2,479
Transportation service train-miles	2,738	2,855
Transportation service locomotive-miles	3,479	3,604
Freight service car-miles	100,030	102,454
Passenger service car-miles	21,800	22,072
Freight revenue	$24,330.64	$24,206.76
Passenger service train revenue	$ 8,227.10	$ 7,735.53
Operating revenues	$29,430.49	$29,194.97
Operating expenses	$23,422.77	$22,303.45
Net operating revenue	$ 6,007.72	$ 6,891.52
Net railway operating income	$ 2,392.81	$ 2,901.21
Ton-miles—revenue freight	1,777,402	1,893,564
Ton-miles—all freight	1,860,306	1,977,275
Passenger-miles—revenue	101,300	100,677
AVERAGES PER TRAIN-MILE		
Loaded freight car-miles	44.06	45.27
Empty freight car-miles	24.42	22.01
Ton-miles—revenue freight	1,238.53	1,265.92
Ton-miles—all freight	1,291.25	1,316.75
Passenger train car-miles	8.81	8.90
Revenue passenger-miles	77.77	74.05
Freight revenue	$ 16.89	$ 16.12
Passenger service train revenue	$ 3.33	$ 3.12
Operating revenues	$ 10.75	$ 10.22
Operating expenses	$ 8.56	$ 7.81
Net operating revenue	$ 2.19	$ 2.41
AVERAGES PER LOADED FREIGHT CAR MILE		
Ton-miles—revenue freight	28.11	27.96
Ton-miles—all freight	29.31	29.09
Freight revenue	$ .38328	$ .35609
AVERAGES PER CAR-MILE, PASSENGER		
Passenger-miles—revenue	18.07	17.19
Passenger revenue	$ .42522	$ .39223
MISCELLANEOUS AVERAGES		
Miles hauled—revenue freight	330.99	332.55
Miles hauled—non-revenue freight	272.46	279.94
Miles hauled—all freight	328.12	330.16
Miles carried—revenue passengers	73.22	74.03
Revenue per ton of freight	$ 4.51326	$ 4.23472
Revenue per ton-mile of freight	$ .01364	$ .01273
Revenue per passenger	$ 1.72314	$ 1.68941
Revenue per passenger-mile	$ .02353	$ .02282
Operating ratio	79.59	76.39

FUNDED DEBT

December 31, 1957

	Owned by Company		Outstanding
	Unpledged	Pledged	
GENERAL MORTGAGE			
4% Bonds Due 3-1-1958	$ 7,282,000	(a)$146,542,000	$ 24,590,000
FIRST AND REFUNDING MORTGAGE			
Series B 4½% Bonds Due 2-1-1977	12,447,100		
Series of 1970 4½% Bonds Due 8-1-1970	10,140,000		
Series of 1970 2⅞% Bonds Due 8-1-1970	342,000		(b) 46,361,000
Series of 1985 3⅛% Bonds Due 8-1-1985	161,000		(c) 47,022,000
Series of 1990 3% Bonds Due 2-1-1990	220,000		(d) 22,743,000
Total Bonds	$30,592,100	$146,542,000	$140,716,000
EQUIPMENT TRUST CERTIFICATES			
Average interest 2.84%			56,364,000
CONDITIONAL SALE CONTRACTS			
Average interest 3.28%			24,688,553
Total Funded Debt	$30,592,100	$146,542,000	$221,768,553

(a) Pledged under First and Refunding Mortgage.

(b) Annual sinking fund $248,825.

(c) Annual sinking fund $325,000 together with an amount equal to 10% of dividends paid by the Company on its capital stock in the preceding calendar year.

(d) Annual sinking fund $250,000.

CHANGES IN CAPITAL LIABILITIES IN 1957

	Increase	Decrease
Bonds Redeemed:		
First and Refunding 2⅞% Series of 1970		$ 342,000
First and Refunding 3⅛% Series of 1985		153,000
First and Refunding 3% Series of 1990		4,000
Principal of Unsecured Note Redeemed:		
3% Unsecured Note 8/1/55		497,000
Principal of Equipment Obligations Retired:		
Equipment Trust of 1948		482,000
Equipment Trust of 1949—No. 1		214,000
Equipment Trust of 1949—No. 2		206,000
Equipment Trust of 1950		680,000
Equipment Trust of 1953—No. 1		470,000
Equipment Trust of 1953—No. 2		360,000
Equipment Trust of 1954—No. 1		490,000
Equipment Trust of 1954—No. 2		320,000
Equipment Trust of 1955—No. 1		580,000
Equipment Trust of 1955—No. 2		290,000
Equipment Trust of 1956—No. 1		520,000
Equipment Trust of 1956—No. 2		240,000
Equipment Trust of 1957—No. 1		250,000
Equipment Conditional Sale Contracts		3,492,362
Securities Issued:		
Equipment Trust of 1957—No. 1	$ 7,500,000	
Equipment Conditional Sale Contracts	6,900,000	
	$14,400,000	$9,590,362
Net Increase	$ 4,809,638	

DESCRIPTION OF MORTGAGES

General Mortgage

The General Mortgage is a first lien on 7,543.91 miles of main and branch line railroad now owned by the Company, including terminals and appurtenant property, situated in the States of Illinois, Wisconsin, Minnesota, Iowa, Missouri, Nebraska, Kansas, Colorado, South Dakota, Wyoming and Montana; is a first lien on all locomotives, cars, and other rolling stock and equipment owned by the Company and not subject to any equipment trust or conditional sale agreement securing the purchase price thereof; and also is a first lien on 305,262 shares of the capital stock of The Colorado and Southern Railway Company, which are pledged under this Mortgage.

The General Mortgage contains no provision for redemption of the Bonds or for sinking fund. No additional Bonds may be issued under the Mortgage, but there is no limitation on the right to extend, by agreement with the holders, the maturity of outstanding General Mortgage Bonds.

First and Refunding Mortgage

The First and Refunding Mortgage is secured by the pledge of $146,542,000 principal amount, or 82.1 percent of the General Mortgage Bonds issued, so that $1,262 principal amount of General Mortgage Bonds are pledged under the First and Refunding Mortgage with respect to each $1,000 principal amount of First and Refunding Mortgage Bonds outstanding in the hands of the public December 31, 1957. The First and Refunding Mortgage is a second lien on all railroad, equipment, and capital stock, on which the General Mortgage is a first lien as above stated, and the First and Refunding Mortgage is a first lien on 478.29 miles of railroad owned by the Company in the States of Wyoming, Montana, Illinois, Wisconsin, and Nebraska, and on certain capital stock of bridge, depot, terminal, and other companies.

Additional First and Refunding Mortgage Bonds may be issued, subject to the provisions and limitations of the Mortgage and the Supplemental Indentures thereto.

Provisions for the redemption of each series of First and Refunding Mortgage Bonds, and the sinking funds are summarized as follows:

Series of 1970 2⅞% Bonds may be redeemed as a whole, or in part, on any interest date at 102⅞ August 1, 1957 to July 31, 1961; thereafter the premium reduces periodically to August 1, 1969, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $248,825 for redemption of Series of 1970 2⅞% Bonds is payable to the Trustee on or before May 1 each year. For such redemption, prices are 101⅜ August 1, 1957 to July 31, 1961, reduced periodically to August 1, 1969, and thereafter at par; in each instance with accrued interest.

Series of 1985 3⅛% Bonds may be redeemed as a whole, or in part, on any interest date at 103⅞ August 1, 1957 to July 31, 1961; thereafter the premium reduces periodically to August 1, 1982, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $325,000, together with an amount equal to 10% of dividends paid by the Company on its capital stock in the preceding calendar year, is payable to the Trustee on or before May 1 in each year for redemption of the Series of 1985 Bonds. Redemption prices are 101¾ August 1, 1957 to July 31, 1961, reduced periodically to August 1, 1982, and thereafter at par; in each instance with accrued interest.

Series of 1990 3% Bonds may be redeemed as a whole, or in part, on any interest date at 103⅝ February 1, 1954 to January 31, 1958; 103¼ February 1, 1958 to January 31, 1962; thereafter the premium reduces periodically to January 31, 1989, after which date they are callable at par; in each instance with accrued interest.

An annual sinking fund of $250,000 for redemption of Series of 1990 3% Bonds is payable to the Trustee on or before November 1 each year. For such redemption, prices are 100⅞ February 1, 1954 to January 31, 1958; 100¾ February 1, 1958 to January 31, 1962; reduced periodically to January 31, 1989, and thereafter at par; in each instance with accrued interest.

MILEAGE

	Miles of Road	Second Track	Third Track	Fourth Track	Yard Tracks and Sidings*	Total
Owned						
Colorado	392.57	.52			177.43	570.52
Illinois	1,579.69	348.20	40.95	4.75	1,016.51	2,990.10
Iowa	970.84	249.44			276.38	1,496.66
Kansas	200.49				23.17	223.66
Minnesota	23.09	2.71			39.02	64.82
Missouri	1,134.02	113.82			432.06	1,679.90
Montana	134.53				47.00	181.53
Nebraska	2,636.25	29.32			764.90	3,430.47
South Dakota	183.49				31.12	214.61
Wisconsin	220.25	214.17			63.50	497.92
Wyoming	677.59				203.27	880.86
Total*	8,152.81	958.18	40.95	4.75	3,074.36	12,231.05
Operated under lease or contract	605.64	129.90	.76	.76	436.58	1,173.64
Grand Total*	8,758.45	1,088.08	41.71	5.51	3,510.94	13,404.69

*Includes yard tracks and sidings owned but not operated as follows: Illinois .71 mile, Iowa .71 mile, Nebraska .27 mile, total 1.69 miles.

OWNED EQUIPMENT IN SERVICE

Description	Number on Dec. 31, 1956	Number Added During Year	Number Retired During Year	Number on Dec. 31, 1957	Average tractive power all locomotives and average capacity all freight cars
Locomotives—Steam	131		25	106	
—Diesel Road	481	39	14	506	
—Diesel Switch	178		1	177	
—Gas-Electric	2		1	1	
Total Locomotives	792	39	41	790	62,177 Lbs.
Freight-train cars:					
Box	23,043	667	886	22,824	
Flat	2,250	149	7	2,392	
Stock	3,462		19	3,443	
Gondola and Hopper	13,827	859	241	14,445	
Caboose	518		19	499	
All classes of freight-train cars	43,100	1,675	1,172	43,603	50.21 Tons
Passenger-train cars:+					
Coaches	279	13		292	
Combination coach	38		2	36	
Parlor	6	6		12	
Dining	35	14		49	
Club, lounge and observation	38		31	7	
Postal	23	1		24	
Baggage, express and other nonpassenger	514		5	509	
Other passenger cars	27		2	25	
Total	960	34	40	954	
Passenger rail motor cars:					
Combination coach	5			5	
Other passenger-train rail motor	8	2	1	9	
Total	13	2	1	14	
All classes of passenger-train cars	973	36	41	968	
Company service cars:					
Business	15		1	14	
Ballast	1,287	2		1,289	
Derrick	3	1		4	
Wrecking	18			18	
Other company service	3,105	30	137	2,998	
All classes of company service cars	4,428	33	138	4,323	
All classes of cars in service	48,501	1,744	1,351	48,894	

OWNED EQUIPMENT LEASED

Description	Number Under Lease on Dec. 31, 1956	Number Leased During Year	Number Withdrawn from Lease During Year	Number Under Lease on Dec. 31, 1957
Freight-refrigerator cars*	2,164	170	33	2,301
Passenger-refrigerator cars*	7		3	4
Zephyr train cars‡	5		3	2
Sleeping cars#	104		10	94

+22 cars are articulated.

*Leased to Burlington Refrigerator Express Co.

‡Leased to Fort Worth and Denver Ry. Co.

#Leased to Pullman Co.

COMPARATIVE STATEMENT OF INCOME ACCOUNT FOR YEARS ENDED DECEMBER 31

	1957	1956	Increase	Decrease
RAILWAY OPERATING REVENUES—				
TRANSPORTATION:				
Freight	$212,715,213	$212,288,429	$ 426,784	
Passenger	20,922,686	20,226,396	696,290	
Baggage	24,992	25,311		$ 319
Parlor and chair car	156,947	169,695		12,748
Mail	11,073,701	10,583,811	489,890	
Express	3,051,731	3,532,844		481,113
Other passenger-train	251,056	228,806	22,250	
Milk	220,743	223,127		2,384
Switching	4,081,558	4,216,791		135,233
Total	$252,498,627	$251,495,210	$ 1,003,417	
INCIDENTAL:				
Dining and buffet	$ 2,309,574	$ 2,358,831		$ 49,257
Station and train privileges	63,514	60,340	$ 3,174	
Parcel room	289	340		51
Storage—Freight	9,566	36,225		26,659
Storage—Baggage	3,820	3,794	26	
Demurrage	592,562	562,295	30,267	
Communication	90,477	101,481		11,004
Power	4,887	7,588		2,701
Rents of buildings and other property	540,690	419,997	120,693	
Miscellaneous	851,507	929,991		78,484
Total	$ 4,466,886	$ 4,480,882		$ 13,996
Joint facility—Cr.	$ 1,359,050	$ 1,068,650	$ 290,400	
Joint facility—Dr.	Dr. 16,348	Dr. 12,247		$ 4,101
Total	$ 1,342,702	$ 1,056,403	$ 286,299	
Total railway operating revenues	$258,308,215	$257,032,495	$ 1,275,720	

	1957	1956	Increase	Decrease
RAILWAY OPERATING EXPENSES—				
Maintenance of way and structures	$ 34,150,361	$ 30,468,062	$ 3,682,299	
Maintenance of equipment	33,426,383	31,882,163	1,544,220	
Traffic	7,077,231	6,806,132	271,099	
Transportation	102,194,491	99,819,421	2,375,070	
Miscellaneous operations	3,747,148	3,749,597		$ 2,449
General	7,954,750	7,444,805	509,945	
Railway operating expenses—excluding depreciation and retirements	$188,550,364	$180,170,180	$ 8,380,184	
Depreciation and Retirements—				
Road Property	5,679,639	5,280,941	398,698	
Equipment	11,349,090	10,908,479	440,611	
Total railway operating expenses	$205,579,093	$196,359,600	$ 9,219,493	
Operating Ratio (For Operating Ratios by general accounts see Page 27)	79.59	76.39	3.20	
Net revenue from railway operations	$ 52,729,122	$ 60,672,895		$ 7,943,773
Railway tax accruals	$ 26,291,733	$ 31,392,521		$ 5,100,788
Railway operating income	$ 26,437,389	$ 29,280,374		$ 2,842,985
RENT INCOME				
Rent from equipment	$ 1,738,020	$ 1,504,225	$ 233,795	
Joint facility rent income	832,222	767,303	64,919	
Total rent income	$ 2,570,242	$ 2,271,528	$ 298,714	
RENTS PAYABLE				
Rents for equipment	$ 5,008,235	$ 3,005,534	$ 2,002,701	
Joint facility rents	2,998,004	3,004,081		$ 6,077
Total rents payable	$ 8,006,239	$ 6,009,615	$ 1,996,624	
Net rents	Dr.$ 5,435,997	Dr.$ 3,738,087		$ 1,697,910
Net railway operating income	$ 21,001,392	$ 25,542,287		$ 4,540,895

COMPARATIVE STATEMENT OF INCOME ACCOUNT FOR YEARS ENDED DECEMBER 31—Continued

	1957	1956	Increase	Decrease
OTHER INCOME				
Income from lease of road and equipment	$ 6,843	$ 6,825	$ 18	
Miscellaneous rent income	677,738	624,880	52,858	
Income from nonoperating property	517,757	436,887	80,870	
Separately operated properties—profit	8,413	16,293		$ 7,880
Dividend income	1,013,906	1,049,710		35,804
Interest income	1,111,571	897,311	214,260	
Release of premiums on funded debt	21	21		
Miscellaneous income	35,471	31,854	3,617	
Total other income	$ 3,371,720	$ 3,063,781	$ 307,939	
Total income	$ 24,373,112	$ 28,606,068		$ 4,232,956
MISCELLANEOUS DEDUCTIONS FROM INCOME				
Miscellaneous rents	$ 31,625	$ 37,390		$ 5,765
Miscellaneous tax accruals	150,143	158,525		8,382
Miscellaneous income charges	81,460	87,108		5,648
Total miscellaneous deductions	$ 263,228	$ 283,023		$ 19,795
Income available for fixed charges	$ 24,109,884	$ 28,323,045		$ 4,213,161
FIXED CHARGES				
Rent for leased roads and equipment	$ 54,375	$ 52,665	$ 1,710	
Interest on funded debt	6,801,818	6,643,492	158,326	
Interest on unfunded debt	2,572	818	1,754	
Amortization of discount on funded debt	68,507	60,852	7,655	
Total fixed charges	$ 6,927,272	$ 6,757,827	$ 169,445	
Net income after fixed charges	$ 17,182,612	$ 21,565,218		$ 4,382,606
Dividend appropriations of income	$ 12,812,902	$ 12,812,902		
Balance of income transferred to Retained Income	$ 4,369,710	$ 8,752,316		$ 4,382,606

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

OPERATING REVENUES

Year ended December 31	Average operated mileage	Freight Revenue	Passenger Revenue	Mail, express and miscellaneous revenue
1921	9,393.07	$122,716,630	$ 31,396,048	$ 14,599,590
1922	9,393.69	121,388,901	28,380,104	15,147,466
1923	9,401.41	126,433,098	28,569,831	16,267,732
1924	9,407.23	119,773,873	26,522,642	16,378,363
1925	9,398.62	118,670,808	25,116,398	15,367,972
1926	9,403.79	121,410,650	24,288,307	15,618,485
1927	9,390.00	118,497,414	22,058,572	15,764,468
1928	9,375.44	126,952,879	19,715,276	16,223,254
1929	9,373.21	126,777,844	18,817,973	16,814,108
1930	9,332.76	111,157,128	15,360,186	14,862,108
1931	9,312.69	88,237,564	11,205,062	11,776,334
1932	9,261.96	63,182,739	7,311,279	9,049,611
1933	9,237.41	63,319,234	6,722,104	8,455,637
1934	9,143.98	64,815,018	6,749,238	8,723,903
1935	9,035.66	66,817,189	6,978,101	9,129,919
1936	9,004.40	79,716,638	8,217,025	10,148,748
1937	8,975.40	79,966,473	9,717,844	10,466,895
1938	8,964.66	74,134,765	9,141,388	9,793,983
1939	8,973.06	76,853,603	9,167,835	10,110,356
1940	8,973.21	78,198,344	8,964,197	10,468,701
1941	9,036.00	94,874,259	10,697,250	11,949,846
1942	9,077.68	131,770,823	19,100,283	14,418,219
1943	9,029.56	166,123,159	32,923,900	18,905,424
1944	8,989.35	180,453,652	40,141,385	20,042,363
1945	8,965.22	183,286,915	38,193,572	21,062,311
1946	8,865.75	148,897,285	27,896,559	19,131,821
1947	8,864.97	181,409,104	19,029,068	20,740,839
1948	8,813.82	199,341,245	20,198,852	21,823,554
1949	8,766.61	179,802,953	17,818,681	20,374,874
1950	8,842.51	199,932,606	17,679,514	27,635,441
1951	8,824.01	220,253,697	19,192,719	27,147,252
1952	8,823.89	223,230,964	20,173,457	26,943,359
1953	8,866.77	230,610,550	20,349,507	27,453,755
1954	8,860.31	206,301,405	18,917,207	27,134,102
1955	8,823.89	203,700,425	19,249,645	26,276,202
1956	8,804.00	212,288,429	20,226,396	24,517,670
1957	8,776.89	212,715,213	20,922,686	24,670,316

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

REVENUES, EXPENSES, AND TAXES

Year Ended Dec. 31	Total Operating Revenues	Total Operating Expenses	Taxes	Average Per Mile of Road Operated		
				Operating Revenues	Operating Expenses	Taxes
1921	$168,712,268	$128,216,290	$ 9,718,568	$17,961	$13,650	$1,035
1922	164,916,471	126,777,703	10,890,007	17,556	13,496	1,159
1923	171,270,661	134,290,379	9,268,055	18,218	14,284	986
1924	162,674,878	119,958,734	10,642,576	17,293	12,752	1,131
1925	159,155,178	116,671,868	10,975,481	16,934	12,414	1,168
1926	161,317,442	116,462,808	11,480,061	17,155	12,385	1,221
1927	156,320,454	111,917,503	11,676,578	16,648	11,919	1,244
1928	162,891,409	114,191,159	11,192,210	17,374	12,180	1,194
1929	162,409,925	111,565,542	12,025,394	17,327	11,903	1,283
1930	141,379,422	98,877,813	11,191,877	15,149	10,595	1,199
1931	111,218,960	77,465,969	9,955,502	11,943	8,318	1,069
1932	79,543,629	58,517,604	8,148,156	8,588	6,318	880
1933	78,496,975	54,361,599	6,918,697	8,498	5,885	749
1934	80,288,159	58,007,983	5,783,597	8,780	6,344	633
1935	82,925,209	62,544,384	5,983,920	9,178	6,922	662
1936	98,082,411	71,243,003	8,411,126	10,893	7,912	934
1937	100,151,212	74,278,004	7,731,466	11,158	8,276	861
1938	93,070,136	67,087,220	9,061,509	10,382	7,484	1,011
1939	96,131,794	70,885,896	8,616,802	10,713	7,900	960
1940	97,631,242	71,853,873	8,697,632	10,880	8,008	969
1941	117,521,355	83,047,925	11,900,410	13,006	9,191	1,317
1942	165,289,325	99,415,696	26,192,996	18,208	10,952	2,885
1943	217,952,483	123,559,336	55,573,644	24,138	13,684	6,155
1944	240,637,400	145,854,303	57,190,637	26,769	16,225	6,362
1945	242,542,798	174,150,921	30,248,889	27,054	19,425	3,374
1946	195,925,665	139,250,672	25,693,903	22,099	15,707	2,898
1947	221,179,011	149,996,344	34,407,950	24,950	16,920	3,881
1948	241,363,651	167,888,010	35,912,048	27,385	19,048	4,075
1949	217,996,508	167,265,649	26,192,248	24,867	19,080	2,988
1950	245,247,561	161,964,673	39,773,302	27,735	18,317	4,498
1951	266,593,668	189,234,239	41,233,781	30,212	21,445	4,673
1952	270,347,780	193,435,960	39,690,137	30,638	21,922	4,498
1953	278,413,812	203,124,368	39,557,462	31,400	22,909	4,461
1954	252,352,714	190,333,761	28,989,381	28,481	21,481	3,272
1955	249,226,272	190,704,931	28,850,235	28,244	21,612	3,270
1956	257,032,495	196,359,600	31,392,521	29,195	22,303	3,566
1957	258,308,215	205,579,093	26,291,733	29,430	23,423	2,996

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

SUMMARY OF FINANCIAL RESULTS

Year ended December 31	Total revenues, including income from other sources	Expenses, taxes, rentals, and other charges	Interest on Funded Debt	Net Income	Earnings per Share of Stock
1921	$171,852,639	$139,435,531	$6,807,134	$25,609,974	$16.43
1922	168,386,706	140,005,948	8,119,271	20,261,487	11.86
1923	173,735,425	146,188,407	8,256,488	19,290,530	11.29
1924	164,788,967	134,247,699	8,641,439	21,899,829	12.82
1925	161,234,121	131,356,234	8,693,294	21,184,593	12.40
1926	164,314,046	131,699,096	8,626,981	23,987,969	14.04
1927	159,202,361	128,632,779	9,126,458	21,443,124	12.55
1928	165,929,135	130,473,328	9,177,555	26,278,252	15.38
1929	166,122,417	127,461,244	9,084,635	29,576,538	17.31
1930	144,904,521	113,840,027	9,084,635	21,979,859	12.87
1931	113,518,034	91,113,664	9,084,635	13,319,735	7.80
1932	80,906,548	70,319,097	9,084,635	1,502,816	.88
1933	80,058,804	65,376,145	9,084,635	5,598,024	3.28
1934	81,542,327	68,002,932	9,084,635	4,454,760	2.61
1935	84,006,102	73,078,623	9,084,635	1,842,844	1.08
1936	99,376,761	85,081,198	9,138,399	5,157,164	3.02
1937	101,506,074	87,279,925	9,318,895	4,907,254	2.87
1938	94,165,952	81,111,532	9,412,657	3,641,763	2.13
1939	97,266,759	84,228,649	9,376,771	3,661,339	2.14
1940	98,701,774	84,895,212	9,413,698	4,392,864	2.57
1941	118,744,477	98,760,692	9,564,643	10,419,142	6.10
1942	166,665,657	128,483,699	9,535,038	28,646,920	16.77
1943	219,490,878	182,551,064	8,708,550	28,231,264	16.53
1944	242,151,510	209,035,730	8,468,658	24,647,122	14.43
1945	244,142,926	209,309,218	7,428,309	27,405,399	16.04
1946	198,259,728	169,368,261	5,788,692	23,102,775	13.52
1947	223,062,115	189,666,103	5,654,141	27,741,871	16.24
1948	242,652,523	208,881,475	5,689,348	28,081,700	16.44
1949	219,734,305	198,626,445	5,688,368	15,419,492	9.03
1950	247,617,300	207,712,870	6,142,775	33,761,655	19.76
1951	268,204,066	237,039,202	5,915,576	25,249,288	14.78
1952	272,635,351	238,955,578	5,679,181	28,000,592	16.39
1953	280,892,910	249,044,595	6,186,809	25,661,506	15.02
1954	254,720,412	225,165,297	6,543,395	23,011,720	13.47
1955	251,768,664	223,086,211	6,524,607	22,157,846	12.97
1956	260,096,276	231,887,566	6,643,492	21,565,218	12.62
1957	261,679,935	237,695,505	6,801,818	17,182,612	10.06

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

MAINTENANCE AND TRANSPORTATION EXPENSES

Year ended Dec. 31	Avge. oper. mileage	Maintenance of Way and Structures	Maintenance of Equipment	Transportation	Average per Mile of Road Operated		
					M. of W. & S.	M. of E.	Transp.
1921	9,393.07	$22,917,767	$34,290,506	$63,564,017	$2,440	$3,651	$6,767
1922	9,393.69	20,769,379	35,735,414	62,875,593	2,211	3,804	6,693
1923	9,401.41	21,984,557	40,654,336	63,395,808	2,338	4,324	6,743
1924	9,407.23	19,413,917	34,786,170	57,810,258	2,064	3,698	6,145
1925	9,398.62	19,737,011	33,669,420	55,021,563	2,100	3,582	5,854
1926	9,403.79	23,965,178	30,131,658	54,315,494	2,548	3,204	5,776
1927	9,390.00	23,668,878	26,486,675	53,503,272	2,521	2,821	5,698
1928	9,375.44	25,515,422	27,197,586	52,922,445	2,722	2,901	5,645
1929	9,373.21	24,414,605	26,080,966	52,083,144	2,605	2,783	5,557
1930	9,332.76	20,311,640	22,553,488	46,922,911	2,176	2,417	5,028
1931	9,312.69	13,721,164	17,785,942	38,030,549	1,473	1,910	4,084
1932	9,261.96	9,576,465	13,341,550	28,952,905	1,034	1,440	3,126
1933	9,237.41	8,561,684	12,140,500	27,374,245	927	1,314	2,963
1934	9,143.98	9,860,327	12,431,389	28,564,565	1,078	1,360	3,124
1935	9,035.66	10,824,581	14,950,520	30,844,332	1,198	1,655	3,414
1936	9,004.40	12,797,545	16,820,495	34,549,546	1,421	1,868	3,837
1937	8,975.40	14,033,990	17,275,279	36,183,417	1,564	1,925	4,031
1938	8,964.66	11,654,202	15,409,733	33,620,007	1,300	1,719	3,750
1939	8,973.06	12,844,765	17,381,993	34,256,996	1,431	1,937	3,818
1940	8,973.21	13,353,279	16,783,688	35,277,423	1,488	1,870	3,931
1941	9,036.00	16,959,394	19,816,531	39,526,885	1,877	2,193	4,374
1942	9,077.68	21,025,235	24,106,233	46,267,051	2,316	2,656	5,097
1943	9,029.56	29,835,736	28,195,666	55,805,743	3,304	3,123	6,180
1944	8,989.35	40,175,260	33,790,768	61,653,940	4,469	3,759	6,859
1945	8,965.22	47,843,082	51,952,634	63,650,499	5,337	5,795	7,100
1946	8,865.75	31,412,419	27,660,941	68,613,877	3,543	3,120	7,739
1947	8,864.97	32,484,480	29,682,429	75,766,163	3,664	3,348	8,547
1948	8,813.82	37,260,444	34,365,642	83,366,308	4,228	3,899	9,459
1949	8,766.61	36,261,258	38,419,338	78,842,227	4,136	4,382	8,993
1950	8,842.51	33,786,916	34,037,570	80,955,660	3,821	3,849	9,155
1951	8,824.01	41,782,837	39,300,552	93,513,741	4,735	4,454	10,597
1952	8,823.89	42,108,312	40,839,794	95,078,458	4,772	4,628	10,775
1953	8,866.77	49,071,802	40,018,049	97,998,903	5,534	4,513	11,052
1954	8,860.31	35,419,111	43,180,519	95,609,781	3,998	4,873	10,791
1955	8,823.89	37,759,174	39,149,896	97,279,128	4,279	4,437	11,025
1956	8,804.00	35,749,003	42,790,642	99,819,421	4,061	4,860	11,338
1957	8,776.89	39,830,000	44,775,473	102,194,491	4,538	5,102	11,644

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

OPERATING EXPENSE RATIOS

Year ended December 31	Maintenance of Way and Structures	Maintenance of Equipment	Transportation	Total Operating Expenses
1921	13.58	30.32	37.68	76.00
1922	12.59	21.67	38.13	76.87
1923	12.84	23.74	37.01	78.41
1924	11.93	21.38	35.54	73.74
1925	12.40	21.16	34.57	73.31
1926	14.85	18.68	33.67	72.19
1927	15.14	16.94	34.23	71.60
1928	15.66	16.70	32.48	70.10
1929	15.03	16.06	32.07	68.69
1930	14.37	15.95	33.19	69.94
1931	12.34	15.99	34.19	69.65
1932	12.04	16.77	36.40	73.57
1933	10.91	15.46	34.87	69.25
1934	12.28	15.48	35.58	72.25
1935	13.05	18.03	37.20	75.42
1936	13.05	17.15	35.22	72.64
1937	14.01	17.25	36.13	74.17
1938	12.52	16.56	36.12	72.08
1939	13.36	18.08	35.64	73.74
1940	13.68	17.19	36.13	73.60
1941	14.44	16.86	33.64	70.67
1942	12.72	14.59	27.99	60.15
1943	13.69	12.94	25.60	56.69
1944	16.70	14.04	25.62	60.61
1945	17.88	14.86	26.24	63.39
1946	16.03	14.10	35.02	71.07
1947	14.69	13.42	34.26	67.82
1948	15.44	14.24	34.54	69.56
1949	16.63	17.62	36.17	76.73
1950	13.78	13.88	33.01	66.04
1951	15.67	14.74	35.08	70.98
1952	15.57	15.11	35.17	71.55
1953	17.63	14.37	35.20	72.96
1954	14.03	17.11	37.89	75.42
1955	15.15	15.71	39.03	76.52
1956	13.91	16.64	38.84	76.39
1957	15.42	17.34	39.56	79.59

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

FREIGHT AND PASSENGER TRAFFIC

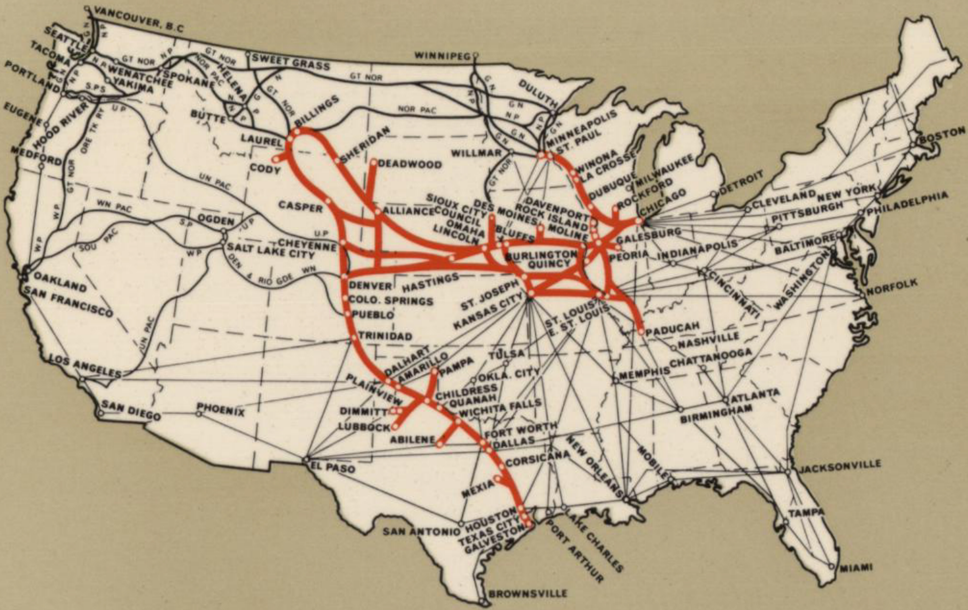
Year ended December 31	Carloads Revenue Freight (Excl. L.C.L.)	Revenue Ton Miles (000)	Revenue Per Ton Mile (Cents)	Revenue Passenger Miles (000)	Revenue Per Pass. Mile (Cents)
1921	1,138,140	10,554,788	1.163	999,701	3.141
1922	1,267,228	11,754,596	1.033	941,748	3.014
1923	1,422,035	12,690,384	.996	967,097	2.954
1924	1,392,061	12,287,748	.975	909,302	2.917
1925	1,394,884	12,298,288	.965	893,670	2.810
1926	1,427,076	12,651,222	.960	871,773	2.786
1927	1,380,681	11,918,019	.992	811,600	2.718
1928	1,477,074	12,931,723	.982	730,970	2.697
1929	1,468,784	12,873,521	.985	719,017	2.617
1930	1,285,504	11,356,359	.979	606,612	2.532
1931	1,015,772	8,888,694	.993	472,742	2.370
1932	761,188	6,297,639	1.003	347,834	2.102
1933	790,498	6,598,639	.960	387,065	1.737
1934	858,977	7,137,168	.908	425,949	1.585
1935	844,557	7,522,420	.888	424,789	1.643
1936	1,015,083	9,062,367	.880	499,516	1.645
1937	1,034,615	9,423,153	.849	587,409	1.654
1938	894,051	7,876,092	.941	530,835	1.722
1939	939,635	8,417,254	.913	544,510	1.684
1940	996,830	8,972,423	.872	539,670	1.661
1941	1,181,449	11,339,218	.837	640,033	1.671
1942	1,385,416	15,290,591	.862	1,080,880	1.767
1943	1,509,738	18,960,387	.876	1,822,197	1.807
1944	1,569,328	19,751,865	.914	2,220,707	1.808
1945	1,552,950	18,820,920	.974	2,116,701	1.804
1946	1,451,973	16,657,849	.894	1,529,489	1.824
1947	1,552,552	19,274,376	.941	955,746	1.991
1948	1,488,445	18,357,884	1.086	870,790	2.320
1949	1,314,873	15,250,054	1.179	757,891	2.351
1950	1,397,186	16,755,823	1.193	748,699	2.361
1951	1,491,768	18,625,332	1.183	826,128	2.323
1952	1,422,481	17,096,963	1.306	883,205	2.284
1953	1,452,471	16,825,004	1.371	902,036	2.256
1954	1,390,883	15,709,662	1.313	837,706	2.258
1955	1,437,596	16,096,078	1.266	861,327	2.235
1956	1,460,407	16,670,939	1.273	886,357	2.282
1957	1,359,116	15,600,062	1,364	889,103	2.353

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

PER CENT OF TOTAL FREIGHT REVENUE BY MAJOR COMMODITY GROUPS

Year Ended December 31	Products of Agriculture %	Animals and Products %	Products of Mines %	Products of Forests %	Manufactures and Misc. %	Forwarder Traffic %	Less Carload Freight %
1921	23.32	11.84	23.44	4.57	22.44	.....	14.39
1922	20.38	12.11	20.64	5.29	27.65	.....	13.93
1923	17.08	12.57	23.33	5.86	28.37	.....	12.79
1924	20.12	13.40	22.05	5.29	26.28	.....	12.86
1925	16.75	12.64	23.73	5.52	28.02	.....	13.34
1926	16.88	12.70	23.32	5.55	28.81	.....	12.74
1927	19.18	11.86	19.96	5.65	30.60	.....	12.75
1928	20.34	11.36	20.81	5.17	30.91	.....	11.41
1929	19.10	10.75	22.54	4.93	31.11	.....	11.57
1930	20.90	11.10	21.97	3.93	30.59	.....	11.51
1931	21.89	13.43	19.62	3.20	30.48	.....	11.38
1932	18.23	15.68	20.89	2.84	31.44	.....	10.92
1933	21.14	14.82	18.08	3.99	32.48	.....	9.49
1934	18.07	16.86	18.18	4.33	33.72	.....	8.84
1935	16.39	11.23	19.99	5.45	38.20	.....	8.74
1936	17.01	10.85	20.55	5.21	38.33	.....	8.05
1937	17.25	9.03	20.76	5.50	39.57	.....	7.89
1938	22.13	9.89	17.59	5.10	36.78	.....	8.51
1939	18.56	10.00	19.09	5.54	36.82	1.91	8.08
1940	17.86	9.55	20.00	5.79	37.53	2.01	7.26
1941	17.34	7.68	18.90	6.50	40.66	1.77	7.15
1942	16.10	7.10	19.73	6.25	43.90	1.34	5.58
1943	20.16	6.60	18.18	4.12	44.97	1.32	4.65
1944	16.13	6.38	15.95	3.56	52.43	.88	4.67
1945	19.23	5.91	14.08	3.11	52.03	.70	4.94
1946	22.93	7.91	17.06	4.58	39.03	.73	7.76
1947	24.06	6.19	20.39	4.72	35.65	1.78	7.21
1948	20.56	6.38	22.09	5.22	37.48	1.66	6.60
1949	23.71	7.58	17.24	6.15	37.91	1.78	5.64
1950	20.98	6.60	18.44	6.36	40.79	2.35	4.48
1951	22.36	6.32	18.03	5.73	40.41	3.28	3.87
1952	20.97	7.13	17.00	5.79	41.17	4.07	3.87
1953	18.82	7.47	15.53	5.45	44.97	4.29	3.47
1954	20.65	8.18	15.32	6.04	41.86	4.50	3.45
1955	18.95	8.33	15.91	6.65	41.38	5.16	3.62
1956	18.90	8.72	16.70	5.85	41.16	5.26	3.41
1957	21.77	7.83	15.51	5.70	40.55	5.23	3.41

EVERYWHERE WEST


VANCOUVER, B.C
SEATTLE
TACOMA
PORTLAND
EUGENE
MEDFORD
HOOD RIVER
WENATCHEE
YAKIMA
SPOKANE
HELENA
SWEET GRASS
BUTTE
GT NOR
NOR PAC
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W.P
SOU PAC
S.P
DEN & RIO GDE
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BILLINGS
LAUREL
CODY
SHERIDAN
DEADWOOD
CASPER
ALLIANCE
CHEYENNE
OGDEN
SALT LAKE CITY
OAKLAND
SAN FRANCISCO
LOS ANGELES
SAN DIEGO
PHOENIX
DENVER
HASTINGS
COLO. SPRINGS
PUEBLO
TRINIDAD
WINNIPEG
DULUTH
WILLMAR
MINNEAPOLIS
ST. PAUL
WINONA
LA CROSSE
DUBUQUE
MILWAUKEE
ROCKFORD
CHICAGO
DETROIT
SIOUX CITY
DES MOINES
COUNCIL BLUFFS
OMAHA
LINCOLN
DAVENPORT
ROCK ISLAND
MOLINE
GALESBURG
PEORIA
BURLINGTON
QUINCY
ST. JOSEPH
KANSAS CITY
ST. LOUIS
E. ST. LOUIS
PADUCAH
INDIANAPOLIS
CINCINNATI
CLEVELAND
PITTSBURGH
NEW YORK
BOSTON
PHILADELPHIA
BALTIMORE
WASHINGTON
NORFOLK
NASHVILLE
CHATTANOOGA
MEMPHIS
ATLANTA
BIRMINGHAM
TULSA
OKLA. CITY
DALHART
AMARILLO
PAMPA
PLAINVIEW
CHILDRESS
QUANAH
WICHITA FALLS
DIMMITT
LUBBOCK
ABILENE
FORT WORTH
DALLAS
CORSICANA
MEXIA
EL PASO
SAN ANTONIO
HOUSTON
TEXAS CITY
GALVESTON
BROWNSVILLE
PORT ARTHUR
LAKE CHARLES
NEW ORLEANS
MOBILE
JACKSONVILLE
TAMPA
MIAMI

WAY OF THE ZEPHYRS

1957

Burlington
Route